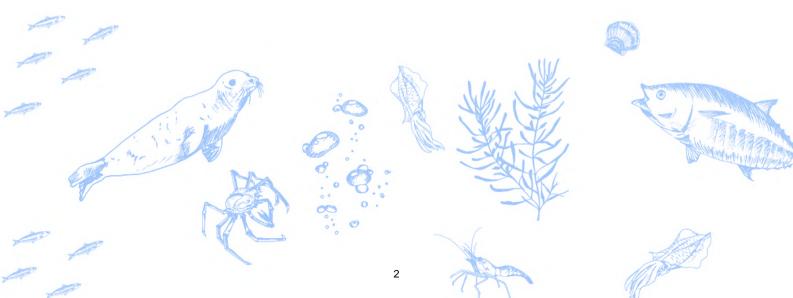


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# **Editorial Policy**

### **Editorial Policy**

Sustainability Report2020 (Full Version) is published to provide information on the CSR initiatives of the Nissui Group to its stakeholders.

### Report Period

The report mainly covers activities conducted from April 1, 2019, to March 31, 2020. However, when appropriate exceptions to this general rule are made, as when citing past circumstances and data or using recent examples for illustration purposes.

### Report Boundary

This report covers Nippon Suisan Kaisha, Ltd. (Nissui), and its group companies in Japan and outside Japan. The environmental data in Japan represents the totals of Nippon Suisan Kaisha, Ltd. (Nissui) and its group companies in Japan (including 5 unconsolidated affiliate companies in Japan), which is the scope of the report of the activities to reduce environmental impact. The environmental data outside Japan represents the totals of the major 9 group companies outside Japan.

### Referenced Guidelines

GRI Sustainability Reporting Standards in 2016 Environmental Reporting Guidelines (2018)

### Issuance Period

Issued August 2020

### Reporting Cycle

Annually

### Contact Information for the Organization Publishing this Report

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# Message from the President

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 (material areas) specified together with our Declaration on Action of CSR in 2016, our New 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 plastic waste 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.

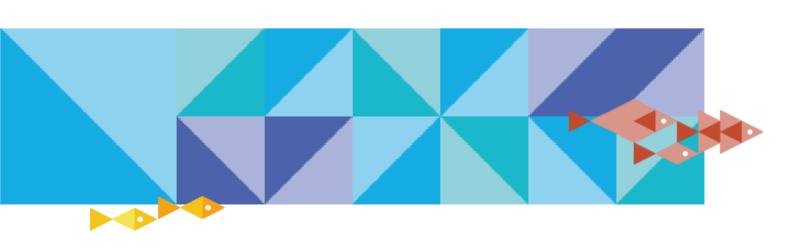
Representative Board Member,
President & CEO
Nippon Suisan Kaisha, Ltd.

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# The Nissui Group's CSR Initiatives

The Nissui Group's CSR Initiatives	6
CSR Promotion System	8
Determination of Key Issues	10
Stakeholder Communication	1 6







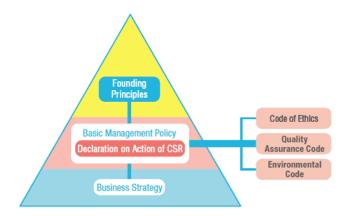
# The Nissui Group's CSR Initiatives

The Nissui Group, together with its stakeholders, will endeavor to find solutions to social issues and aim to become a corporate group that continues to be needed by society.

As a marine products company, Nissui's founding principle is to provide the people of the world with marine resources in as fresh a condition as possible.

The Nissui Group asserted CSR-driven management in the "MVIP 2017," the previous Mid-Term Business Plan; in March 2016 announced the Declaration on Action of CSR; and in November of the same year determined materiality and has been engaged in various initiatives. In the new Mid-Term Business Plan, "MVIP + (Plus) 2020," which was announced in May 2018, it further promoted management based on CSR to achieve sustainable growth and further increase in corporate value.

The Nissui Group, together with its stakeholders, will broadly contribute to achieving the sustainable development goals (SDGs) adopted by the United Nations and solving various social issues based on the "Nissui's genes" carried forward since the company's foundation.



### Nissui's Genes

Sence of Mission, Innovation, Hands-on approach, Global, Customer-Orientaion

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Related pages

Our Founding Principles > Basic Management Policies > Quality Assurance Code > Code of Ethics > Enviromental Code >
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### O Declaration on Action of CSR

The Nissui Group will appreciate the earth and the sea, and create diverse values from five genes (Mission, Innovation, Hands-on approach, Global, Customer-Orientaion) inherited since its foundation and try to solve social issues through business activities.

### For the Customers

- We provide safe and secure highquality products which are valuable for the customers.
- We utilize bounty of the sea and provide the delights of foods and the rich and healthy lives through the innovation.

### For the Employees

- 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 Partners

- We maintain fair and clean business relationship with all of our business partners.
- We try to build mutual trusting relationship with business partners and seek a sustainable society with them.

### For the Environment

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

# For the Shareholder and Investors

- 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 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.

# **CSR Promotion System**

# Organizational Structure

We established a CSR Committee which reports directly to the President to promote CSR activities of the entire Group.



The CSR Department was established in March 2017 to reinforce CSR activities.

Organization

### • The CSR Committee and Subcommittee

The CSR Committee, chaired by the President & CEO and comprising all Executive Officers, is held four times a year.

Four subcommittees to promote priority issues (Resource Sustainability and Procurement Subcommittee, Food Loss and Waste Subcommittee, Diversity and Personnel Development Subcommittee and Marine Environment and Plastics Subcommittee) have been launched, to which Executive Officers have been appointed as Subcommittee Chairpersons, with members comprising the General Managers and Managers of the relevant departments.

Furthermore, two working groups under the Resource Sustainability and Procurement Subcommittee (Marine resource sustainability WG and CSR Procurement WG), two working groups under the Marine Environment and Plastics Subcommittee (Marine Environment WG and Plastics WG), and two working groups under the Diversity and Personnel Development Subcommittee (Diversity/HR WG and Promoting Health WG) promote their respective activities.

# O Dissemination of CSR Activities Throughout Nissui

The CSR Newsletter: Let's Listen to the Voice of the Sea, an employee newsletter, is published twice a month as a way of disseminating CSR activities throughout Nissui.

The newsletter posts and shares such information as the approach to CSR, the progress being made by the subcommittees and working groups for each of their key issues and CSR events in which the employees participated. The newsletter was launched in April 2016. Each issue from the inaugural issue to the 54th issue was collected and compiled as a booklet and distributed to the Nissui Group companies. Since then, the newsletter has been distributed simultaneously to the Nissui Group companies, and in March 2020, the 92th issue was published.



# O CSR Activities of the Business Locations and Group Companies

# ■ Workshop on the SDGs and Group Work (Fine Chemicals General Plant Tsukuba Plant)

On January 9, 2020, a workshop and group work were held to make all plant employees (approximately 70 employees) understand the SDGs at the Fine Chemicals General Plant Tsukuba Plant.

At the workshop, participants were given an overview of the SDGs and learned the importance of achieving the goals while reflecting on the examples of initiatives by Nissui and confirming the direction to be taken in the initiatives of the Tsukuba Plant. Afterward, group work was conducted in which each group brainstormed and presented ideas for unique initiatives to be taken by the Tsukuba Plant. Each group presented many different and unique ideas that will be utilized in future activities. The participants voiced positive comments such as, "I was able to become more familiar with the SDGs," "I think we will be able to materialize our ideas, even the ideas of individuals," and "This was a good opportunity to get to know the initiatives being taken by our company."

These are activities unique to the Tsukuba Plant, where the entire plant can work as one and engage in CSR activities.





## **▮** Formation of the Sustainability Team (Sealord Group, Ltd.)

In May 2019, the Nissui Group company, Sealord Group, Ltd. (New Zealand), established a new team dedicated to sustainability. This team comprises key members of various departments including procurement, innovation, human resources, quality, marketing, and compliance. It aims to reduce Sealord's negative impact on the environment, by first assessing the impact of climate change on the company's business as well as the impact of the business on the environment based on data and science. Sealord is also measuring its carbon emissions with the help of an external agency. The next step will be to develop a consistently updated Sustainability Strategy and incorporating sustainability into the company's strategic priorities in the long term.



# CSR Awareness Day (Nordic Seafood A/S)

On February 28, 2020, the Nissui Group company, Nordic Seafood A/S (Denmark), held a workshop on CSR called "CSR Awareness Day" for its employees to discuss the multitude of issues that the company's product range entails. As a result, the employees deepened their understanding of the company's business model while at the same time became aware of how to address the issues of sustainability and social responsibility.



# **Determination of Key Issues**

The Nissui Group established the Declaration on Action of CSR upon conducting an exchange of opinions with its stakeholders to promote Groupwide CSR activities. The CSR Committee has been established, and the key issues of the Nissui Group have been identified. Going forward, we will continue dialogues with stakeholders and promote Groupwide CSR activities.

# The Process of Identifying Key CSR Issues

Selection of social issues to be addressed by the Nissui Group

Measurement of materiality and selection of key issues

Determination of key issues

## Selection of Social Issues to be Addressed by the Nissui Group

To meet diverse social demands and requirements, social issues were selected from among the expectations of society, the key issues of customers and the key issues of competitors. 29 issues to be addressed were selected, taking into consideration the Nissui Group business domains and customer base.

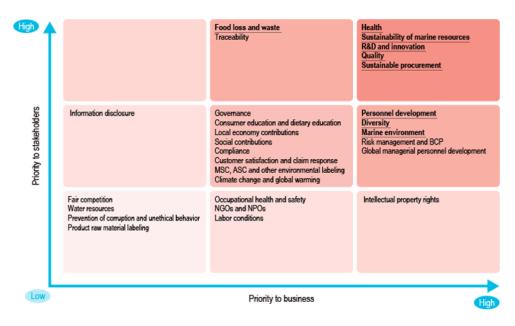
## Measurement of Materiality and Selection of Key Issues

A questionnaire survey was conducted on the stakeholders (571 stakeholders including customers, employees, NPOs/NGOs and shareholders) on the 29 selected issues and the materiality of each issue was measured.

Additionally, workshops for management were conducted and materiality was measured also from a business perspective. Key issues to be addressed were identified based on the two scales of "Stakeholder" and "Business."







(Note): Bold/underlined sections indicate items identi ed as key issues.

## Determination of Key Issues

Based on the key issues to be addressed, three areas were identified dialogues were held with experts on these areas and opinions were received from global perspectives.

Upon deliberation by the Board of Directors, the key issues to be addressed by the Nissui Group were determined.

These key issues will be reviewed periodically going forward.

# O Key Issues to Be Addressed by the Nissui Group

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

The preservation of resources and resolution of labor-related human rights issues is called for when using and procuring marine resources. The Nissui Group is grateful for the bounty of the oceans and will continue to develop technologies that promote the sustainable utilization of resources in fishing, aquaculture, and related industries, to protect the environment and resources for the next generation. Also, we are working with our suppliers to implement sustainable procurement that maintains respect for human rights.

### Social Issues: Marine Environment, Sustainability of Marine Resources, Sustainable Procurement

















### **Specific Initiatives**

- Marine Environment >
- CSR Procurement >
- Sustainability of Marine Resources >
- Environmental Management >
- Biodiversity Preservation >
- Reducing Environmental Impact >

## Contribute to a healthy lifestyle with food safety and security

Different issues plague different parts of the world when it comes to health. In some places, people suffer from hunger due to regional conflict or poverty, while advanced nations face such issues as societal aging, over-nutrition, and food loss. Marine products are a valuable food resource and are recognized worldwide as a healthy food for their functional components. The Nissui Group has been developing technologies and innovations to utilize the bounty of the sea for over 100 years. We aim to utilize limited resources effectively and without waste to enable people to experience the delights of food and a rich, healthy life.

### Social Issues: Health, R&D and Innovation, Quality, Food Loss and Waste









### **Specific Initiatives**

- Research and Development to Enrich Lives
- Food Loss and Waste
- Approach to and Systems to Ensure Safety and Security
- Initiatives to Ensure Safety and Security

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

At the Nissui Group, we believe that actively hiring people from diverse backgrounds stimulates the organization and encourages business development. In our business activities, we actively encourage our employees to be engaged with social issues both locally and globally. Through such efforts, we aim to be a company where diverse human resources play an important role.

### Social Issues: Diversity, Personnel Development





### **Specific Initiatives**

- Diversity >
- Employment of Seniors, People with Disabilities, and Foreign Nationals
- Employee Health >

- Work Style Reform >
- Training and Development >
- Women's Empowerment >
- Labor Safety >

# O Connections Between the Nissui Group's Key Issues and the SDGs

While reaffrming 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.

SDGs		14 with reciprocal to the second seco	13 GAME	6 CHANNER REGISTRA	11 RECOMMENT	15 to the to the total total to the total total total to the total	12 SECRETAL SECRETARIA	3 sometimes  —/w/*	2 and some	5 sees party	8 story were no	17 MATRICESOMY OF THE GRACE
	Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement Social issues to be addressed: Marine environment, Sustainability of marine resources, CSR procurement											
	Preservation of Marine Environments	14.1	13.1	6.6		15.1						17.17
	Marine Plastics	14.1		6.3	11.6		12.5 12.8					17.17
Priority	Sustainability of Marine Resources	14.2 14.4		6.3							8.9	17.16 17.17
Priority Themes	Biodiversity Preservation	14.1	13.1			15.1 15.2						17.17
	CSR Procurement						12.2				8.7	
	Environmental Management		13.2 13.3	6.3	11.6		12.5					17.17
	Reducing Environmental Impact		13.2	6.3	11.6		12.5					17.17
	ute to a healthy lifestyle with foo sues to be addressed: Health, R&D,				n of Food	Loss and	Waste					
	Research and Development to Enrich Lives							3.d	2.2			
Priority	Approach to and Systems to Ensure Safety and Security											
/ Themes	Initiatives to Ensure Safety and Security											
	Food Loss and Waste						12.3 12.8					17.17

	e a company where diverse hum sues to be addressed:Diversity, Tra				ant role t	o address	the socia	lissues				
	Diversity									5.1	8.2	
	Work Style Reform									5.b	8.2	
Priority	Women's Empowerment									5.1 5.5	8.2	
ity Themes	Employment of Seniors, People with Disabilities, and Foreign Nationals										8.8	
	Labor Safety/Training and Development										8.5	
	Employee Health											
Other is:	Other issues to be addressed											
Priority	Governance									5.1		
Priority Themes	Social Contribution	14.a					12.3		2.1		8.3	17.17

(Note): Numbers in the table are target numbers of the SDGs.

# O Relationship Between the Key Issues and Business

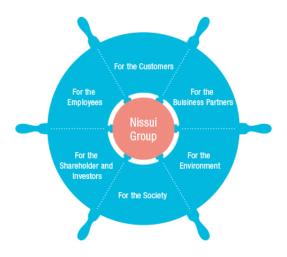
The following diagram illustrates the connection between and the breadth of the three key issues and business activities toward the year 2030, the targeted year of the SDGs.



# **Stakeholder Communication**

# O Nissui Group's Stakeholder Communication

In its business activities, a company faces a variety of societal issues that often include the environment or human rights. We believe it is vitally important to tackle those issues while pursuing sustainable growth. We need to face each of these problems head on and continue to engage in dialogues and other forms of communication with our stakeholders to actively remind ourselves not to become complacent.



#### For the Customers

The Nissui Group provides a wide variety of products globally including marine products from its fisheries and aquaculture operations, frozen foods for household and commercial use, shelf-stable foods, fish sausages and surimi-based products, EPA as pharmaceutical ingredients, Specified Health Use products with EPA and foods labeled as functional foods. Furthermore, as the Group is also engaged in marine research and the logistics business, it deals with a broad spectrum of customers ranging from individuals to corporation and to government agencies. The Nissui Group, in its Quality Assurance Code, has declared that it values dialogues with its customers and that it will make ceaseless efforts to enhance customer satisfaction.

Major responsibilities and challenges	Means of communication	Frequency
•To ensure safe and high-quality products •To offer tasty and fun food and a healthy	Customer Service Center (Contact Desk)	Daily
lifestyle •To provide product labeling and	Website, Social media	As needed
appropriate information on products and services  • To respond to and support customers	Official community " <i>Nissui Minna-no Shiawase Gohan</i> (Nissui Happiness Meals)"	As needed

### For the Employees

The Nissui Group comprises 65 companies with 18,643 employees working both in and outside Japan(As of March 31, 2020, including temporary employees). To respond appropriately to the changing business environment, the Group values diverse values and individuality and emphasizes the importance of sustained growth through teamwork. To this end, the Group has put in place a system to listen to the voices of its employees and prioritizes communications between labor and management.

Major responsibilities and challenges	Means of communication	Frequency
•To ensure labor safety •To foster and utilize human capital •To respect diversity	Briefings on management policies	Once a year
	Harassment Desk	As needed
	Suggestion Boxes within the company	As needed
	Regular meetings between Nissui and the labor unions/Safety and Health Committee	As needed
	In-house bulletins and Intranet	Daily

#### For the Business Partners

The Nissui Group conducts business transactions around the world including transactions with the suppliers of raw materials and products and with the buyers of products. The Group is building fair and equal relationships as well as relationships of mutual trust with its business partners and together with its business partners is aiming to realize a sustainable society.

Major responsibilities and challenges	Means of communication	Frequency
•To ensure fair and equal business transactions •CSR procurement	Sustainable Procurement Seminar	Once a year
	Self-Check Sheet of Nissui CSR Purchasing Initiatives	Once a year
	Check Sheet of CSR Purchasing Initiatives for New Suppliers	As needed
	Simplified Check Sheet	Once a year

#### For the Environment

The Nissui Group relies on the bounty of nature for its business and recognizes the sustainability of resources to be an extremely important issue. The Group will make efforts to further reduce the environmental impact and to preserve the marine/natural environment and biodiversity. Furthermore, as a food manufacturer, it will address the problem of food loss and waste, and contribute to its reduction.

Major responsibilities and challenges	Means of communication	Frequency
	Stakeholder Dialogue	As needed
Sustainability of marine resources     Reducing environmental impact     Food loss and waste     Social contribution activities through its businesses	Dialogues with NGOs/NPOs and research organizations	As needed
	Environmental education activities in collaboration with NGOs/NPOs	As needed
	Dialogues with the regional community and local governments	As needed

#### For the Shareholder and Investors

The Nissui Group has 69,323 shareholders. Its shareholder composition is characterized by a high percentage of institutional investors and overseas investors. As far as stock ownership is concerned, 43.1% is owned by Japanese financial institutions while 21.5% is owned by foreign investors (As of March 31, 2020).

The Group is making efforts to utilize the feedback obtained through dialogues such as the various briefings and individual meetings, and to disclose information in order to win the trust of its shareholders and investors, and allow them to properly assess its corporate value.

Major responsibilities and challenges	Means of communication	Frequency
<ul> <li>To maintain and increase corporate value</li> <li>To properly return profits</li> <li>To disclose timely and appropriate information</li> </ul>	General shareholders meeting, Financial results briefings, Briefings for investors	Once a year/Fourth a year/As needed
	Individual meetings	As needed
	IR Information Website	Daily
	NISSUI REPORT (PR Magazine for stakeholders and business reports)	Twice a year
	Corporate Strategic Planning & IR Department, Corporate Strategic Planning Section (Contact Desk)	Daily

### For Society

Social issues cannot be solved by the efforts of the Nissui Group alone, and coordination with various domestic and overseas companies, NGOs/NPOs, the government agencies of each country, etc. is essential. The Nissui Group, accordingly, maintains channels of communication with various related organizations such as its participation in <u>SeaBOS</u>.

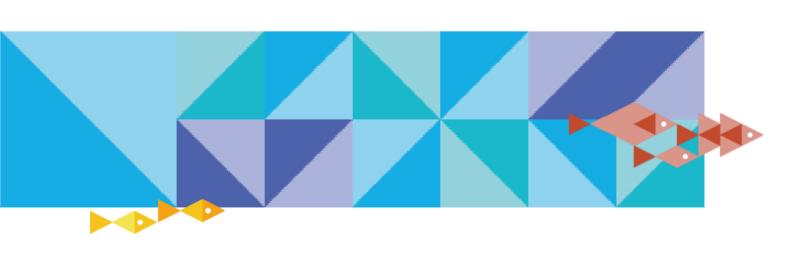
The Nissui Group has bases in 17 countries around the world and is focused on operating in such countries while being respectful of the cultures and customs of the respective regions as well as supporting the education of future generations.

Major responsibilities and challenges	Means of communication	Frequency
Dialogues toward solving social issues     Cooperation with NGOs/NPOs     Social contribution activities through its businesses	Stakeholder Dialogue	As needed
	SeaBOS activities	As needed
	Volunteer activities in the regional community	As needed
	Dialogues with the regional community and local governments	As needed
	Factory tour	As needed

# The Vision Targeted in 2030

The Vision Targeted in 2030 ...... 19





# O Key Issues Selected by the Nissui Group and the Vision Targeted in 2030

The four subcommittees that promote the key issues (Resource Sustainability and Procurement Subcommittee, Marine Environment and Plastics Subcommittee, Food Loss and Waste Subcommittee and Diversity and Personnel Development Subcommittee) have pronounced the visions of what they are aiming to be in 2030 and have been promoting their respective activities.

Key issues	Vision targeted in 2030 and KPIs	Details of activities in fiscal 2019	Details of activities in fiscal 2018	Working group
Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement  14 INTERNATION 13 COMMITTEE TO THE PROCURE OF	[Marine Resources] 2030: The sustainability of the marine products procured by the Nissui Group will have been confirmed	●Considered new survey methods in advance of the second survey on the sustainability of marine resources procured by the Nissui Group (scope: marine products procured in 2019)	● Disclosed survey results of the resource status of marine products handled by the Nissui Group (Summary)  • "No cause for concern" for the resource state of 88% of the fish species handled, and 37% were marine ecolabel certified  • The total volume procured by the Nissui Group corresponded to 1.6% of global catch  • Identified issues and deliberated responses relating to "fish species unclear whether they are under a fisheries management program"  ● Conducted stakeholder dialogues	Resource Sustainability and Procurement Subcommittee
	【CSR Procurement】 ●2030: Group companies including overseas companies will be engaged in procurement based on the CSR Basic Procurement Policy	●Advancement of CSR procurement for suppliers  Distributed the Self-Check Sheet for Nissui CSR Purchasing Initiatives to 33 companies in and outside Japan, conducted a survey, analyzed the results and provided feedback to each company  Visited five companies in Japan, confirmed situation on-site using simplified check sheets  ●Elevated awareness among persons in charge internally  Conducted CSR procurement seminars for purchasing and quality control representatives (Hachioji General Plant)	●Established three check systems for promoting sustainable procurement ●Conducted the "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 ●Conducted stakeholder dialogues	
	[Marine Plastics]	●Identified the current situation regarding the use of plastic fishing equipment ●Reviewed the use of expanded polystyrene boxes to transport ●Identified the quantity of plastic containers and packaging used and examined the reduction of the amount	●Established the Marine Environment and Plastics Subcommittee	Marine Environment and Plastic Subcommittee

Key issues	Vision targeted in 2030 and KPIs	Details of activities in fiscal 2019	Details of activities in fiscal 2018	Working group
Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement  14 INTERNAL INTERNA	【Reducing Environmental Impact】 ● Medium- to long-term environmental impact reduction targets • Reduction of CO₂ emission 15% reduction in fiscal 2030 compared to fiscal 2015 (per unit) • Reduction of water usage 10% reduction in fiscal 2023 compared to fiscal 2015 (per unit) • Reduction of waste 5% reduction in fiscal 2023 compared to fiscal 2015 (per unit) • Promotion of zero emission 100% of business locations have recycling rates of 99% or higher in fiscal 2030 • Reduction of food loss and waste: 10% reduction in fiscal 2030 compared to fiscal 2017 (per unit) • Reduction of CFG leakage level: Less than 1,000 tons - CO₂ per year in fiscal 2023	● Started initiatives to meet environmental medium- to long-term targets ● Reduction of CO₂ emission through the adoption of gas cogeneration (Kashima Plant) ● Adoption of HFC-free refrigerators (Hachioji General Plant)	●Established medium- to long-term environmental targets ● Receive the DBJ's Highest Environmental Rating ● Reduced methane emission through biomass electricity generation (Hachioji General Plant)	Environment Subcommittee
Contribute to a healthy lifestyle with food safety and security  12 ENDOCRIE OF THE PROPERTY O	【Food Loss and Waste】 ● 2020: Initiatives to reduce food loss and waste across the entire food chain have commenced ● 2030: Initiatives to reduce food loss and waste across the entire food chain are being carried out ● Medium- to long-term food loss and waste reduction targets • Reduction of food loss and waste: 6% reduction in fiscal 2023 compared to fiscal 2017 (per unit) • Reduction of food loss and waste: 10% reduction in fiscal 2030 compared to fiscal 2017 (per unit)	Managed progress in medium- to long-term food loss and waste reduction targets  ● Prevented product damage in the logistics process and reduced the amount of waste  ● Switched best-before periods to year/month format  ● Initiatives with Second Harvest Japan  ● Held awareness events such as "Let's eat everything on our plates!",  "KANKIRIBU", and food drives at the Nissui head office ● Participated as a partner corporation in WRI's "10x20x30" Food Loss and Waste initiative's Japan project headed by AEON Co., Ltd.	●Established medium- to long-term food loss and waste reduction targets ●Initiatives to prolong useby dates and switch to year/month labeling ●Carried out the project, "Let's eat everything on our plates!" ●Carried out the project, "KANKIRIBU" ●Initiatives with Second Harvest Japan ●Conducted the lecture by Second Harvest Japan	Food Loss and Waste Subcommittee

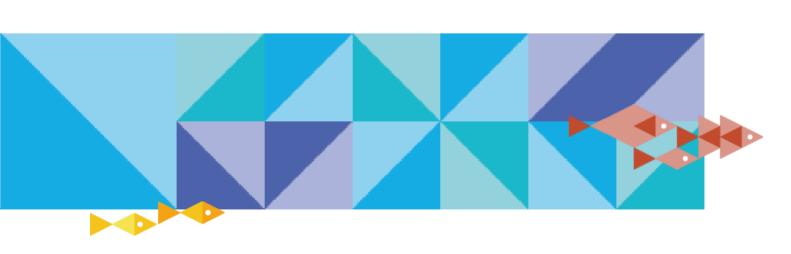
Key issues	Vision targeted in 2030 and KPIs	Details of activities in fiscal 2019	Details of activities in fiscal 2018	Working group
Aim to be a company where diverse human resources play an important role to address the social agenda  8 ECCRITICATION  OF THE PROPERTY OF THE	[Employee Health]	●External Recognition •Chosen for the "Health & Productivity Stock Selection 2020" ●Fiscal 2019 results by item •Smoking rate: 26.1% •Obesity rate: (male) 35.8%, (female) 21.5% •EPA/AA ratio: 0.35 ●Initiatives •Measurement of the EPA/AA ratio and Health Ranking •Health Plus (+) Storage Campaign (promoted walking, consuming fish, smoking cessation, reducing alcohol intake, etc.) •Reduced number of smoking areas •Individual consultation by occupational health staff for all smokers • Healthy boxed lunches on a trial-basis (Nissui head office) •Adoption of the Teleworking System	●Chosen for the "Health & Productivity Stock Selection 2019" ● Receive the DBJ's Highest Health Management Rating ● Health Plus (+) Storage Campaign ● Measurement of EPA/AA ratio and health ranking ● Fiscal 2018 results by item • Smoking rate: 28.3% • Obesity rate: (male) 34.6%, (female) 20.7% • EPA/AA ratio: 0.38 ● Implemented a teleworking trial	Diversity and Personnel Development
	[Diversity] ●2030: Nissui will be generating innovation that will lead to value creation by utilizing diverse human capital and providing opportunities for such human capital to demonstrate the fullest potential ●2020: Achievement of the targets for each item •Ratio of female managers: 6.7% •Ratio of female regular employees hired by new graduates: over30%	●Raised awareness through workshops, training •Set up a working group for the advancement of women (sales divisions) •Held Female Sales Staff Workshop •Held "Career Design Seminar" for Female Employees •Selected women with ability and drive to participate in selective training ●Support of Striking a Balance Between Childraising and Work • Created tools to support women returning to work after taking maternity leave ●Fiscal 2019 results by item •Ratio of female managers: 6.2% •Ratio of female regular employees hired by new graduates: 29.4%	●Communicated President's message on diversity ●Conducted "Female employee career development seminar" for superiors	Development Subcommittee

# Environment

Environmental Management	23
Sustainability of Marine Resources	28
The Survey of Procured Marine	28
Promoting Aquaculture	32
Cooperation with NGOs/NPOs	38
Marine Eco-Labels	42
Activities of Group Companies	47
Reducing Environmental Impact	18

Biodiversity Preservation	52
Material-Balance	56
Food Loss and Waste ·····	57
Marine Environment	61
Preservation ofthe "forest, river and sea"	61
Marine Plastics	63







# **Environmental Management**

The Nissui Group has established an environmental management system under the CSR Action Declaration and it will strive to build a sustainable society.

By utilizing this environmental management system, we will make effort to solve social issues in the areas determined to be material, particularly toward achieving sustainability in the marine environment.

### Environmental Code

## Environmental Philosophy

The basic corporate stance of Nissui, whose business relies on the bounty of nature, is to respect natural resources and interact with the earth and sea with gratitude.

We shall engage in global business activities which enable us to live in harmony with the global environment, and make continuous efforts to build a sustainable society.

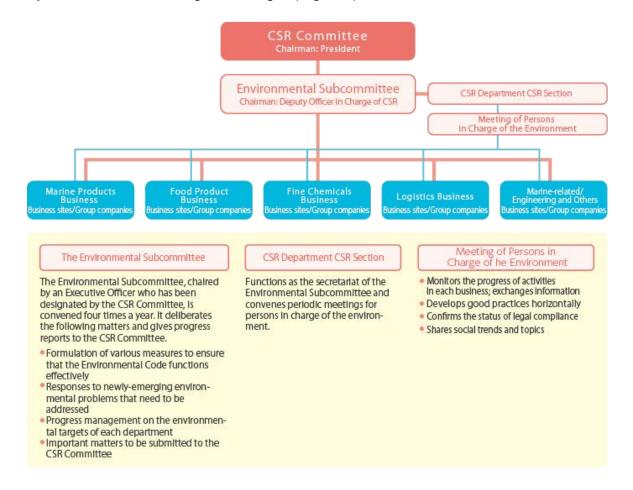
### Policies

- 1. We will promote activities mindful of the preservation of the natural environment and biodiversity, and the sustainable use of resources
- 2. we will continuously endeavor to build a recycling-oriented society by practicing energy conservation, resource saving, waste reduction, reducing volume of packaging&containers, environmentally friendly procurement, and other activities which alleviate environmental impact.
- 3. We will build and effectively operate an environmental management system. We will also conduct environmental audits and strictly enforce compliance with environment-related laws, regulations, etc.
- 4. We will raise the environmental awareness of each and every one of our employees by offering environmental education.
- 5. With respect to society, we will carry out environmental communication activities, and strongly emphasize environmentally friendly coexistence with the local community.
- 6. We will share this Environmental Code with companies affiliated with the Nissui Group.

Enactment Date: June 1, 2003 Revision Date: February 20, 2014

### O Environmental Subcommittee

The Environmental Subcommittee, chaired by an Executive Officer who has been designated by the CSR Committee, is convened four times a year. It deliberates the following matters and gives progress reports to the CSR Committee.



### Environmental Subcommittee

The Environmental Subcommittee, chaired by an Executive Officer who has been designated by the CSR Committee, is convened four times a year. It deliberates the following matters and gives progress reports to the CSR Committee.

- Formulation of various measures to ensure that the Environmental Code functions effectively
- Responses to newly-emerging environmental problems that need to be addressed
- Progress management on the environmental targets of each department
- Important matters to be submitted to the CSR Committee

## CSR Department CSR Section

Functions as the secretariat of the Environmental Subcommittee and convenes periodic meetings for persons in charge of the environment.

### | Environmental Education

The persons in charge of the environment from approximately 80 business sites are gathered and a meeting of persons in charge of the environment is convened once a year.

- Monitors the progress of activities in each business; exchanges information
- · Develops good practices horizontally
- · Confirms the status of legal compliance
- Shares social trends and topics

### O Environmental Audit

## Acquisition of ISO 14001 Certification

The Nissui Group maintains a broad range of business sites including production plants for foods and marine products, fine chemical plants, logistics centers, research and development facilities and ship-building companies. While the type of business may vary, the importance of environmental activities, such as mitigating the environment burden by reducing CO<sub>2</sub> emissions, water usage and waste and protecting the natural environment in the areas surrounding the business sites, remains the same. The Nissui Group is systematically operating its environmental management system by having each business site acquire ISO 14001 certification and by building a system for ongoing checks led by the Environmental Management Committee.

#### Status of ISO 14001 certification

	Number of certified business sites		
Business sites in Japan	44/63 sites		
Business sites outside Japan	2/9 sites		

#### As of March 2020

Scope of business sites: Business sites in Japan include Nippon Suisan Kaisha, Ltd. and its group companies in Japan, business sites outside Japan include its nine major group companies outside Japan. Administrative offices have been excluded.

## Audits by the Internal Audit Department

Check items relating to the environment have been included in the operational audits conducted by the Internal Audit Department on Nissui plants. The audits confirm the progress made in the achievement of targets for reducing the environment impact.

## Environmental Management Unique to Each Plant

#### Hachioji Site Environment Council

At the Hachioji General Plant, management-level employees and persons in charge of the environment of Group companies located on the same premises (Hachioji Site) (Chilldy Co., Ltd. and Carry Net Co., Ltd.) and the Tokyo Food Order Section are invited to the Environment Council, which is held on a quarterly basis. Actual initiatives made by each person to reduce the environmental load and the progress made in the achievement of environmental targets are reported and effective case studies are proactively shared. Additionally, members are familiarized with any revisions to environmental laws and regulations or the implementation of any new laws, and environmental management for the entire Hachioji Site is promoted.

### Himeji General Plant Eco-promotion Team

The Himeji General Plant has launched the Eco-promotion Team comprising the heads of the Human Resources & General Affairs Section, the Frozen Foods Plant, the Processed Foods Plant and the Himeji Food Order Section. It meets once a month to make the employees more aware of the environment, while at the same time promoting environmental activities close to home, such as encouraging employees to use the stairs within the facility, and collecting plastic bottle caps.



Himeji General Plant Eco-promotion

### Gorton's, Inc. energy management, cooperation with energy company

Energy management in a company requires sustainable ways to reduce energy usage. The Nissui Group company, Gorton's, Inc. (U.S.), began a new Continuous Energy Improvement (CEI) initiative in 2019. This program aims to achieve even better results from energy management initiatives through organizational commitment coupled with the repetition of the processes of planning & implementation and measuring & reporting. As part of this commitment toward continued energy savings, Gorton's has entered National Grid's (Note) CEI energy cohort with seven other companies in the American Northeast. This 3-year program is designed to assist companies in developing energy management programs that will yield even more results in various aspects, including greater energy and cost savings.



**Energy Management Meeting** 

Gorton's energy management initiatives in 2019

- Assembled an internal energy management team and developed an energy management policy
- · Identified 26 opportunities for energy reduction and prioritized them in order
- Utilized an energy management tool to record energy usage in production plants along with other data such as weather conditions and production quantity (to be used in analyzing conditions when issues related to energy usage occur)
- Worked on developing new energy management tools

Gorton's believes that for a company's energy management to work effectively, it is crucial to get employees involved in energy reduction and be proactive in the initiatives. Gorton's will embrace an energy management culture and encourage all employees to continue working on improvements.

 $(Note)\ National\ Grid: An energy\ company\ supplying\ electricity\ and\ gas\ based\ in\ Massachusetts\ where\ Gorton's\ is\ also\ located.$ 

### O Eco Letter

The "Nissui Eco Letter," an internal newsletter on the environment, is published for the employees of Nissui and its group companies. Timely themes are chosen for the newsletter including "the Paris Agreement" and "the problem of plastics in the ocean." The newsletter provides opportunities to think about what we can do, as a company and as an individual, to pass on this irreplaceable earth to the next generation.



# O U.S. Environmental Protection Agency (EPA) SmartWay Excellence Award (Gorton's, Inc.)

The Nissui Group company, Gorton's, Inc. (U.S.), was awarded the SmartWay Excellence Award by the U.S. Environmental Protection Agency (EPA) in 2019. This award recognizes partners that have been successful in optimizing the environmental performance and efficiency of their freight management operations. Criteria for awardees are for 98% or more of their ton-miles shipped to be with SmartWay carrier partners, thereby reducing impact on the environment and optimizing freight efficiency. Three environmental metrics for the air, etc., carbon dioxide (CO<sub>2</sub>), nitrogen oxide (NOx), and particulate matter (PM2.5), must also be tracked. Awardees are forerunners leading the way in freight sustainability and have gained recognition by the EPA as pioneers in using less fuel, reducing pollution, and cutting costs. This latest award is Gorton's second from SmartWay, following its first in 2015.



The Nissui Group company, Gorton's, Inc. (USA), was awarded the SmartWay Excellence Award by the U.S. Environmental Protection Agency (EPA) in 2019. This award recognizes partners that have been successful in optimizing the environmental performance and efficiency of their freight management operations. Criteria for awardees are for 98 percent or more of their ton-miles shipped to be with SmartWay carrier partners, thereby reducing impact on the environment and optimizing freight efficiency. Three environmental metrics for the air, etc., carbon dioxide (CO<sub>2</sub>), nitrogen oxide (NOx), and particulate matter (PM2.5), must also be tracked. Awardees are forerunners leading the way in freight sustainability and have gained recognition by the EPA as pioneers in using less fuel, reducing pollution, and cutting costs. This latest award is Gorton's second from SmartWay, following its first in 2015.

# The Survey of Procured Marine Resources Sustainability

# O The Survey of Procured Marine Resources Sustainability (2016)

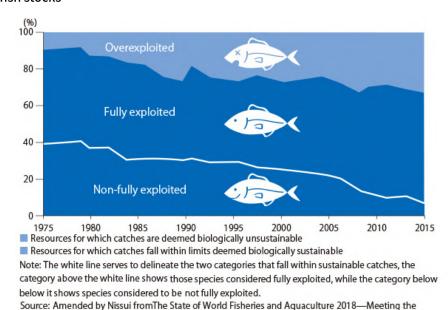
## I The Vision Targeted by the Nissui Group

2030: The sustainability of the marine products procured by the Nissui Group will have been confirmed

The world's marine resources are being depleted and according to a report by the Food and Agriculture Organization of the United Nations (FAO), the stock of only 7% of marine resources of the world was stable, while the stock of 60% had been fully exploited and the stock of 33% had been overexploited.

#### Trends in the world's fish stocks

caught fish for 2016.



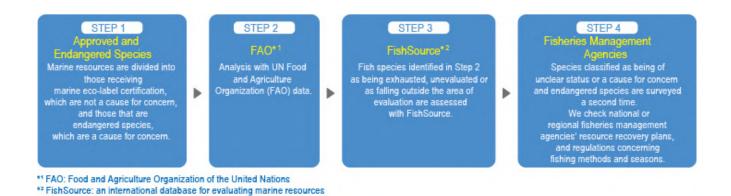
For the Nissui Group, which is engaged in businesses that utilize the bounty of the sea, it is essential that it understands the resource status of its procured fish in order to monitor medium- to long-term business risks and opportunities, and to this end it conducted a survey of resources at its Group companies (28 domestic and 16 overseas companies) based on the dealings and results of wild-

sustainable development goals FAO, 2018.

Nissui analyzed the resource status of its procured natural marine resources using the following 4 steps based on fish species, catch regions, habitats, and sizes of catch (live weight equivalent).

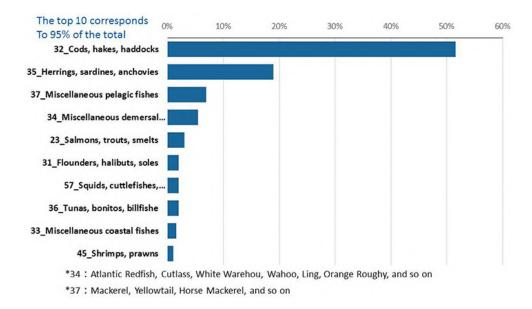
According to the results of our survey, marine resources procured by the Nissui Group amounted to 1.6% of the global catch. Of those, 88% of fish species were categorized as being no cause for concern, while 37% were approved by marine eco-label certification. Fish species classified as being a cause for concern, which include endangered species, were judged acceptable to use only after confirmation of the presence or absence of resource recovery plans, net or seasonal restrictions, or fisheries management. We did not use such resources if they were clearly not managed or if their status continued to be unclear, nor if we had any doubts that they might be caught through illegal, unreported or unregulated (IUU) fishing or caught using forced labor. The Nissui Group will undertake surveys of actual conditions of procured marine products on a regular basis, aiming to have the items the Nissui Group procures confirmed as sustainable by the year 2030.

### Resource Survey Process and Results



"Cod, Alaska pollock and hake," which are processed into surimi (ground fish) and fried white fish, and "herring and sardines," which are raw materials of EPA/DHA account for approximately 70% of the wild-caught fish handled by the Nissui Group.

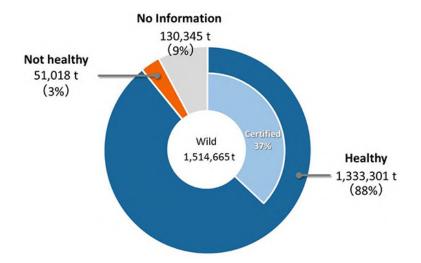
### Procured Marine Resources of Nissui Groupe in 2016



### Status of wild-caught fish resources procured by the Nissui Group (2016)

The total volume of wild-caught fish procured by the Nissui Group is approximately 1.5 million tons (live weight equivalent), which is equivalent to 1.6% of the total wild catch of the world.

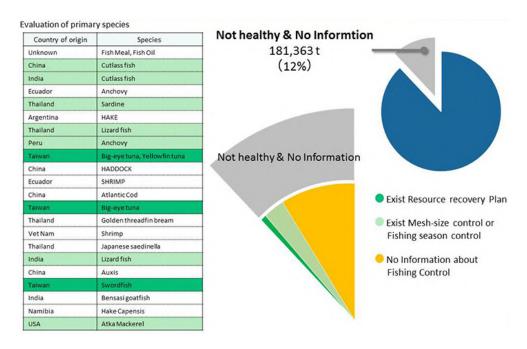
Steps 1 through 3 of the above the survey flow revealed that 88% of the wild catch handled by the Nissui Group was "healthy," of which 37% were marine eco-label certified.



With regard to the fish handled whose resource status was "no information" or "not healthy," as a result of Steps 1 through 3, and fish classified as an endangered species, Nissui re-investigated and confirmed whether a resource recovery plan by the country's or region's fisheries management agency existed, whether any net or seasonal restrictions existed, and whether any fisheries management existed. (Step 4)

As a result, it became evident that 8.8% of the fish species had "no information as to whether fisheries management existed," mainly with regard to compound feeds. Consequently, Nissui has been making efforts to cooperate with compound feed manufacturers and enhance the traceability of such fish species. Furthermore, with regard to the other fish species classified as "no information," Nissui will continue to carefully observe their resource status and the IUU fishery policies of the fishing countries, and make recommendations for scientific resource management to each country through SeaBOS (Seafood Business for Ocean Stewardship).

# Results of Confirmation of Fisheries Management (of "not healthy" and "no information" fish species) in the Re-investigation



# | Handling of "Critically Endangered + Endangered Species"

Fish species classified as "not healthy," as a result of Steps 1 through 3 include fish species categorized as "Critically Endangered (CR)" and "Endangered (EN)" by the International Union for Conservation of Nature (IUCN), WWF, and the Ministry of the Environment, Japan.

With regard to these fish species, Nissui will carefully observe the resources status of each species and take the following Policy.

Handling Area	Red List evaluation	Species (Scientific name)	Weight	Evaluation	Remarks
Japan	CR	Southern Bluefin Tuna ( <i>Thunnus maccoyii</i> )	114	Not healthy	Exist Resource Recovery Plan
	EN	Sea Cucumber ( <i>Apostichopus japonicus</i> )	20	Not healthy	Exist Resource Control Plan
EN Denmark	CR	EEL (Anguilla anguilla)	0.4	Not healthy	ESF related procurement
	EN	HALIBUTWHITE ( <i>Hippoglossus hippoglossus</i> )	9	Not healthy	To be reconsidered
	EN	SKATE ( <i>Leucoraja ocellata</i> )	115	Not healthy	US east coast fisheries regulation applied



### Policy in Japan

#### (i) Southern Bluefin Tuna

The Commission for the Conservation of Southern Bluefin Tuna (CCSBT) has set the total allowable catch (TAC) and allocations for member countries, based on scientific research. With regard to imports, Nissui complies with the instructions of the Fisheries Agency and will continue to handle Southern Bluefin Tuna.

#### (ii) Sea Cucumber

Sea cucumbers are under the resources management of each prefecture and given that management measures such as the setting of non-fishing days, restrictions on size, release of seeds and the building of fishing grounds are being taken, Nissui will continue to handle sea cucumbers at current levels. However, should concerns arise for the depletion of resources, Nissui will gradually reduce or suspend their handling.

#### **Policy in Denmark**

Nissui will not handle critically endangered and endangered fish species. However, if requested by customers, Nissui will continue to handle those species by confirming their conservation and management status.



Click here to see the detailed result 📴

\*The next survey of the resource status of procured marine products is scheduled to take place during 2019.

# Continually Conduct Surveys

By continuing surveys on marine resources periodically, conditions surrounding marine resources, which are ever-changing, can be monitored to secure the sustainability of those resources. Further, to meet future market demand, we will work to manage resources in a sustainable manner.

Currently, the second survey, which looks at the period from January to December 2019, is underway, with research and analysis of the conditions surrounding the resources being conducted.

# **Promoting Aquaculture**

Global seafood consumption has been increasing and demand is expected to continue growing in the future. In order to deliver safe, secure and delicious fish to its customers, the Nissui Group has been focusing on its aquaculture business both in Japan and overseas. Overseas, the Group is engaged in the aquaculture of salmon and trout, while in Japan the Group operates the aquaculture businesses of yellowtail, tuna, coho salmon, mackerel and blowfish, among others.

As a manufacturer of food, the Nissui Group insists on "good-tasting food," and using this as a starting point, it has been involved in various research and technological development in every stage of the process of farming fish from seedlings, fish feed, cultivation, processing and distribution.

Furthermore, by having staff responsible for the different types of products, such as those intended for volume retailers, ready-to-eat meals and restaurants, provide feedback on customer needs of their respective fields to the relevant divisions, the Group has been able to develop technology that meets these demands.

# O Map of the Nissui Group's Aquaculture-related Business Locations and Aquaculture Sites



# Automation of Farmed Fish Measuring through AI

In collaboration with NEC, which possesses cutting-edge artificial intelligence and Internet of Things technology, Nissui has developed an automated farmed fish measuring solution. Simply by uploading images of the farmed fish as they swim about their tank, the technology is able to calculate the fish's size and lengths and report that information. In aquaculture, there is a need for such solutions to constantly manage the growth status of the fish. This solution alleviates the risk of stress or disease that comes from people physically handling fish. It also reduces labor and inconvenience, and improves measurement accuracy, thereby boosting productivity. The Nissui Group will continue to deliver safe, secure and delicious farmed fish by expanding the scope of AI and IoT utilization.

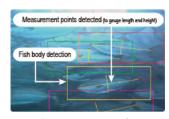


Image Showing AI Detection of

# Promoting Aquaculture Technology Innovation

In order to use marine resources in a sustainable manner, the Nissui Group works to advance its aquaculture technologies. Within Japan we are opening up new possibilities, from farming yellowtail and coho salmon using our independent technologies; to producing entirely farmed tuna; researching the aquaculture of vannamei (white) shrimps at domestic on-land sites; and creating the technology needed to fully farm common octopuses, an endeavor previously thought too challenging. Nissui is also making progress with the development of aquaculture technology that prevents water pollution and minimizes the effect on marine ecosystems, such as solid feed mix EP pellets that are not accidentally dispersed out into sea and the automatic feeding Aqualingual®.



Artificially incubated



hatchlings

Compared to minced fish meat or powdered feed, the advantages of EP pellets are that:

- They are less likely to pollute the water Their well-balanced nutrients are easily
- consumed
- They are easily digested
- They are well-suited to automated feeding



Aqualingual® Feeding System in Otsuchi-cho,

# O Efforts to Commercialize Fully Farmed Bluefin Tuna Produced here in Japan

In March 2018, our bluefin tuna was shipped with the Kitsuna Gold Label brand name for the first time.

Thanks to processing near the site where they are landed, we have produced first-rate bluefin tuna with a focus on quality, freshness and taste. Domestically produced, fully farmed bluefin tuna is one of the key elements in the Nissui Aquaculture Business, and our plans to improve the sustainability of marine resource.



The Kitsuna Gold Label

One of the factors for high costs in the farming of bluefin tuna is the cost of feed required for the hatched larvae. Drawing on the fruits of the research of the Nissui Oita Marine Biological Technology Center of the Central Research Laboratory, the Nissui Group has succeeded in replacing the commonly-used hatched larvae of other fish such as parrot fish and Japanese whiting (hatched larvae as feed) with formula feed; thus eliminating the need to time the hatching of the feed larvae and to manage its breeding, which, in turn, has contributed to the downsizing of personnel. The fertilized eggs harvested at Seinan Suisan Co., Ltd., the Nissui Group company, are hatched and reared at the Oita Marine Biological Technology Center using the above-mentioned proprietary formula feed. When the larvae grow to be 5 to 7 centimeters, they spend the winter in the offshore fish cages for juvenile fish of Seinan Suisan Co., Ltd. and subsequently fattened up until they reach shipment size at the company's various fish cages. When transporting the tuna from one fish cage to another, the Group's barges especially designed for bluefin tuna are used.

Bluefin tuna harvested at each site is processed and packed at each nearby processing facility and shipped to customers using refrigerated delivery. By processing the tuna near the harvesting location, the Nissui Group is contributing to the construction of an optimal supply chain that emphasizes quality, freshness and good taste.

Furthermore, the addition of the Group's unique innovative touches to each process including feeding methods, harvesting and processing, and packaging has enabled us to offer bluefin tuna with higher levels of vitamin E than regular tuna, with nearly 20% more of the umami ingredient, inosin, and with better color.

In fiscal 2019, the Goto farming site of the Nissui Group company, Kaneko Sangyo Co., Ltd. commenced the shipment of fully-farmed bluefin tuna, in addition to the Koshikijima farming site and the Kamiura farming site (Saiki, Oita Prefecture).

# O Initiatives for the Local Processing of Farmed Bluefin Tuna

One of the difficulties of handling fresh bluefin tuna is that its freshness, color and gloss quickly deteriorate once it is landed and its product value also deteriorates.

Kaneko Sangyo Co., Ltd. of the Nissui Group is engaged in initiatives for local processing in which newly-landed bluefin tuna is processed and packaged in its fresh state and delivered by refrigerated delivery. Furthermore, by leveraging its proprietary processing technology, it has established an optimal supply chain for processed farmed tuna with emphasis on quality, freshness, taste and convenience.

This processed tuna caters to the needs of customers, who previously were reluctant to handle fresh tuna such as restaurants, hotels and supermarkets lacking the manpower to process the fish or hoping to introduce the products in small lots.

"Tuna Nishiki"," the processed bluefin tuna, which Kaneko Sangyo Co., Ltd. began to market in May 2018, is made by transporting the bluefin tuna raised at its six farming sites in Nagasaki Prefecture immediately after it is landed under strict temperature control to the processing plant in Karatsu, processing the tuna under continued strict temperature control, and individually packaging the tuna by fillet with special film and shipping. The company has established its own integrated system from bluefin tuna farming, feed production, processing, storage and distribution, which has enabled strict freshness and quality control.

The temperature control technology after landing, in particular, has been developed by the company and a patent is currently pending. By combining this technology with optimal landing and fish refrigeration methods, the company has extended the shelf-life of fresh tuna, which is usually about three days from processing to seven days from the date following the processing date under refrigerated storage and has made Long Life Chilled (LLC) fresh tuna possible. In fiscal 2019, the company marketed 5,000 units out of its total shipment of 29,000 units of farmed tuna as "Tuna Nishiki."



"Tuna Nishiki"" 1kg



Tuna Nishiki® Label

# O Environmentally-friendly On-land Shrimp Farming

In 2011, the Nissui Group commenced basic research into the on-land farming of vannamei (white) shrimp in Japan, and from 2016 began studies for its commercialization (feasibility studies). The "closed biofloc method" was adopted as the farming method at the on-land site. This minimizes the amount of water used and uses aggregates of organic matter (bioflocs) to purify the water, thus reducing the environmental impact compared to conventional farming methods. While commercial use of this method is becoming widespread in Europe and Southeast Asia, this will be the first time it is used in Japan. Previously, most of the shrimp marketed in Japan had been frozen imported shrimp but with this method, the Nissui Group is now able to deliver farmed shrimp, which is fresh and may be consumed raw and which are safe and secure from not having to use drugs.

Partial shipment commenced in 2017 and from September 2018, a limited number of shrimp have been marketed nationwide as "Shirahime Ebi ("Snow White Shrimp")" for professional use.





# O Land-based Recirculation Aquaculture of Chub Mackerel

The three counterparties of Nissui, Yumigahama Suisan Co., Ltd., of the Nissui Group and Hitachi Zosen Corporation reached an agreement on February 15, 2019 to commence the joint development of a large-scale land-based recirculation aquaculture system for chub mackerel, which will be the first of its kind in Japan. This joint development will combine the knowledge of chub mackerel aquaculture held by Nissui and Yumigahama Suisan with the water treatment technology of Hitachi Zosen, and will be based at the testing facilities, which is scheduled to be built in Yonago City, Tottori. Construction commenced in June 2019 and the facility is expected to be in operation by April 2020. The development period will be until the end of March 2023 and commercialization of the project is scheduled from April of the same year.





Yonago Aquaculture Center, Yumigahama Suisan Co., Ltd. (Overall View)

## I The Issues to be Addressed at the Testing Facility

### (i) Increased efficiency of the removal of solids in the breeding waters

Given that solids generated within the system such as uneaten feed and fish feces become factors for deteriorating the quality of the rearing waters, they must be quickly expelled from the system. We hope to increase the efficiency of removing the solids by utilizing Hitachi Zosen's fluid simulation technology (Technology to recreates water flow within the water tanks on the computer).

### (ii) Increased efficiency of the nitrification process

The ammonia originating from the fish feces and uneaten feed must be quickly decomposed and removed, as they are high in toxins for the farmed fish. We plan to increase efficiency by applying the nitrification treatment system developed by Hitachi Zosen, which has a long track record of biological treatment of industrial effluent utilizing free-floating filtering media, make the nitrification facility more compact, and reduce initial costs.

### (iii) Energy-saving to reduce running costs

We will implement energy-saving measures including the development of efficient methods of operating the system and the adoption of operation controls to reduce electricity costs and other running costs.

### (iv) Establishment of production technology and aquaculture control technology

We will identify the optimal rearing conditions for the farmed fish (water temperature, water quality, water flow, photoperiod, etc.), develop production technology and control technology capable of controlling such conditions artificially and aim for high aquaculture productivity.

Through this joint development, We aim to build a competitive land-based aquaculture system through the packaging of the entire system and industrialize land-based recirculation aquaculture in Japan. Through these efforts, We hope to contribute to the stable supply of sustainable marine products.

### O Participation in the Salmon/Trout Aquaculture Commercialization Test in Iwate Prefecture

In January 2019, the five parties - Nissui, the Nissui Group company, Yumigahama Suisan Co., Ltd., "Shin -Otsuchi Gyogyou Kumiai (Shin-Otsuchi Fisheries Cooperative)" (Otsuchi-cho, Kamihei-gun) (Note), "Otsuchi Fukko-sha Kyodo Kumiai", and the Japanese Institute of Fisheries Infrastructure and Communities of Tokyo - concluded an agreement to collaborate in carrying out salmon/trout aquaculture tests, from the standpoint of creating new businesses in Otsuchi-cho.

Nissui and Yumigahama Suisan Co., Ltd. will participate in the trial aquaculture to be carried out by "Shin-Otsuchi Gyogyou Kumiai" aiming to commercialize large-scale, sea-surface cultivation of salmon/trout. This trial aquaculture will be conducted mainly by "Shin-Otsuchi Gyogyou Kumiai" and will be a collaboration with Otsuchi-cho, the local business operators, and the comprehensive think tank for the promotion of fishing villages. To this end, we will offer the Nissui Group's knowledge and knowhow on salmon/tour aquaculture and aim to promote the coastal fishery and the fishing villages of Iwate Prefecture and to create new business opportunities. In addition, Yumigahama Suisan Co., Ltd. will establish a local office in Otsuchi-cho, join "Shin-Otsuchi Gyogyou Kumiai" and participate in the trial aquaculture.

(Note) "Shin-Otsuchi Gyogyou Kumiai (Shin-Otsuchi Fisheries Cooperative)": Oversees the area comprising Otsuchi Bay in the southern part of Otsuchi-cho and Funakoshi Bay in the northern part. Both areas are excellent fishing grounds characterized by the ria coastline, which is unique to the Sanriku region, where the Black Tide and the Oyashio Current (the Kuril Current) intersect, bringing with them bountiful marine resources. Seaweed such as wakame seaweed and kelp, shellfish such as scallops and oysters, and fish such as salmon, mackerel, and middle-sized Japanese amberjack are caught. Going forward it will work to stabilize fish hauls, expand each business, and engage in initiatives to promote aquaculture.

## Cooperation with NGOs/NPOs

Social issues cannot be solved through the efforts of the Nissui Group alone. Recognizing the importance of collaboration with the various companies, NGOs/NPOs and the government agencies of each country, we have been in communication with various related organizations.

#### O SeaBOS Activities for a Sustainable Marine Business

As one of the signatories to the SeaBOS (Note) initiative, along with other leading companies in the global seafood industry, Nissui is working to resolve obstacles to a sustainable marine business. At the Tokyo Sustainable Seafood Symposium held in October 2017, Nissui expressed the thinking behind SeaBOS to preserve and make sustainable use of the marine environment and resources. We also declared our commitment to the SeaBOS initiative as part of our CSR activities.

At the fourth SeaBOS Dialogue held in Phuket, Thailand in September 2019, progress reports on the eradication of IUU (Illegal, Unreported and Unregulated) fishing and modern-day slavery were given and the impact of climate change on the marine environment was discussed. Discussions were also held on the problem of marine plastics, and in addition to the participation of SeaBOS in the GGGI (Global Ghost Gear Initiative), the formulation of strategies through the establishment of a new and separate taskforce for the reduction of Ocean Plastics was resolved. Additionally, in November, a panel discussion on SeaBOS was held at the Tokyo Sustainable Seafood Symposium. Nissui, along with Martin Exel, the Management Director of SeaBOS and Maruha Nichiro Corporation took the podium and reported on the company's commitment toward the survey of procured marine resources sustainability and the problem of marine plastics.



Scenes from Thailand (Phuket)



The Tokyo Sustainable Seafood Symposium

#### (Note) SeaBOS:

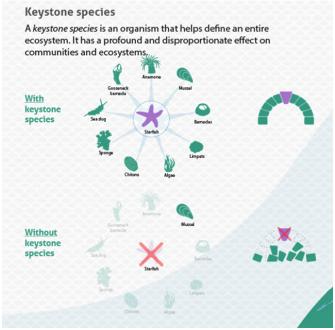
Acronym for Seafood Business for Ocean Stewardship. Seafood companies from around the world including Japan, Norway, Thailand, US and South Korea are members. From Japan the three companies - Nippon Suisan Kaisha, Ltd., Maruha Nichiro Corporation and Kyokuyo Co. Ltd. - participate (As of March 2020). The Stockholm Resilience Centre of Sweden's Stockholm University cooperates by providing support for activities from the scientific aspect.

Featured dialogue between Akiyo Matono, the president &CEO of Nissui with Martin Exel, the new managing director of SeaBOS >

#### **■** Features of SeaBOS

#### Connecting science and business

One of the major features of SeaBOS is the collaboration by scientists and the major companies of the seafood industry to work toward sustainability with a scientific basis. For example, the companies which form the membership of SeaBOS are selected based on the traditional concept of "Keystone species" in ecological research. "Keystone species" are thought to have a major effect on the ecosystem and serve as the key of each species (The word "keystone" denotes the central stone at the summit of an arch). Based on this concept, SeaBOS believes that the major global seafood companies may become the "Keystone actors" which will have an immense effect on the marine ecosystem and that if these companies assumed leadership in sustainability initiatives, it would have a chain effect on the seafood industry as a whole, and as a result, it would largely improve the management of marine resources and the marine ecosystem.



Keystone Species (From SeaBOS materials)

#### Areas addressed by SeaBOS

SeaBOS has several task forces dedicated, for example, to eliminating IUU fishing and the problem of marine plastics, and engages in various initiatives for the sustainability of marine resources.



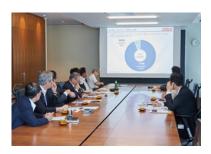
The Task Forces of SeaBOS (From SeaBOS materials)

#### Stakeholder Dialogues

Nissui conducts stakeholder dialogues in order to utilize the opinions of various stakeholders in its management and CSR activities. On August 1, 2018, the fourth stakeholder dialogue was held.

In this stakeholder dialogue, experts – Yoshioki Oozeki, Ph.D, Senior Advisor, Japan Fisheries Research and Education Agency, and Aiko Yamauchi, Leader, Oceans and Seafood Group, Conservation Division, The World Wide Fund for Nature, Japan (WWF-Japan) – were invited to exchange opinions on the sustainable use of marine resources and CSR procurement.

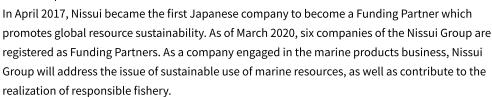




The stakeholder dialogues we have conducted so far Click here >

### O The First Japanese Company to be a Funding Partner of the GSSI

Seafood certification programs such as MSC determine their criteria on the basis of the "Code of Conduct for Responsible Fisheries" and the "Guidelines for the Ecolabelling of Fish and Fishery Products from Marine Capture Fisheries" of the Food and Agriculture Organization of the United Nations (FAO) but with the widespread acceptance of the concept of sustainable seafood, the number of certification programs has multiplied and it has become necessary to ascertain the value of such certifications. Consequently, the GSSI (Global Sustainable Seafood Initiative), a third-party benchmarking agency to verify that certification programs meet FAO guidelines, was established. GSSI is an international partnership that verifies programs assessing the sustainability of marine products.





# O Participating in the "Pacific Bluefin Tuna Conservation Pledge" by WWF Japan

Nissui upholds management based on CSR in its mid-term business plan "MVIP + (Plus) 2020" and has commenced studies on the sustainable use and procurement of marine resource, which are at the core of its business.

By participating in the "Pacific Bluefin Tuna Conservation Pledge" by WWF Japan, Nissui makes its intention clear to promote further global agreement in regard to the management of Pacific Bluefin Tuna resources together with other Japanese companies supporting this cause.

#### Pacific Bluefin Tuna Conservation Pledge

We the undersigned, pledge to support the conservation and sustainable use of Pacific Bluefin tuna stock across the Pacific Ocean.

As responsible companies based in Japan, we promote to sustain livelihoods and to minimize environmental impacts when providing highly qualified seafood to the market. Then, we are making effort not to treat any seafood products from IUU (illegal, unreported and unregulated) sources by establishing the traceability.

The Pacific Bluefin tuna stock remains near the historic low and the sustainability of the stock in the future is a concern. However, not only does Pacific bluefin tuna stock contribute to employment and economy in Pacific coastal countries including Japan, it plays a key role as one of the top predators in the Pacific Ocean marine ecosystem.

To build a future in which humans live in harmony with nature, we hope that both an emergency rule and a long-term recovery plan of the Pacific Bluefin tuna stock based on the best available science and precautionary approach will be adopted. We pledge to support these measures so that the Pacific Bluefin tuna stock across the Pacific Ocean will be steadily recovering.

Please find details at WWF Japan HP. http://www.wwf.or.jp/activities/2016/11/1347330.html

#### Marine Eco-Labels

The Nissui Group aims to preserve the bountiful sea and improve the sustainability of marine resources. One way in which we aim to do that is by acquiring ASC and MSC certification, and by using marine products that have marine eco-label certification.

#### O First in the World to Receive ASC Certification for Buri Yellowtail

Kurose Suisan Co., Ltd. of the Nissui Group, as the largest operator of Buri Yellowtail aquaculture in Japan, has been engaged in the research of aquaculture technology, the development of feed, production and processing. The "Kurose Buri (Yellowtail)," the brand fish of Kurose Suisan is known for its firm flesh and provides a stable supply of fatty, high-quality Buri Yellowtail the year round thanks to the Nissui Group's aquaculture technology.

On December 16, 2017, Kurose Suisan Co., Ltd. became the first in the world to acquire ASC certification for its Buri Yellowtail and on November 30, 2017, its processing plant received CoC certification for shipping ASC-certified farmed fish.

Japan accounts for nearly 90% of global yellowtail aquaculture production, and receiving certification for giving consideration to the environment is extremely significant in preserving the seas surrounding Japan. Additionally, it is hoped that by marketing "Kurose Buri (Yellowtail)" and other certified seafood, we will raise the awareness of the consumer and that environmentally-friendly marine products will become more widespread.



The Nissui Group is grateful for the bounty of the sea, and will continue to develop technologies in fishery and aquaculture that will enable the sustainable use of resources and pass on the environment and resources to the next generation.

#### O Acquires ASC Certification of Salmon/Trout

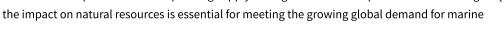
Salmones Antartica S.A. (SA) (Chile), the Nissui Group company, has been operating Salmon and Trout farming since its foundation in 1982 and has subsequently built a processing plant, cold storage and a feed plant, developing an integrated business encompassing production of breed, farming, to harvesting and processing/shipment of farmed fish.

The Salmon/Trout and Coho Salmon produced by SA are distributed throughout the markets of the world through the Nissui Group sales network under the familiar brand name of "Five Star."

On March 5, 2019, SA acquired ASC certification (Note 1) of its Salmon/Trout. This is the second ASC certification received by a Nissui Group company since Kurose Suisan Co., Ltd. acquired ASC certification for its Buri Yellowtail in December 2017.

The certified farming site is Sector 1 of Bahia Acantilada, Aisen Region. On March 4, 2019, SA also received the CoC certification (Note 2) of its processing plant within its head office premise for the processing and shipment of ASC-certified farmed fish.

The Nissui Group believes that expanding supply through sustainable aquaculture while mitigating





SA considers this acquisition of ASC certification to be a stepping stone and is determined to ensure the sustainable use of resources and give consideration to the environment and to the community, and will continue to develop technology for sustainable aquaculture going forward.



This is to certify that the products are responsibly farmed fish and the aquaculture is operated in a sustainable manner paying adequate attention to the natural environment and the local community. The certificate is operated by Aquaculture Stewardship Council (ASC) which was established by the support of World Wide Fund for Nature (WWF) and the Sustainable Trade Initiative (IDH), a Dutch organization promoting sustainable trade.

This certification scheme is one of the social systems which complements the sustainable use of natural resources, reduces the environmental impact by aquaculture operations and supports the life of people in the local communities engaged in aquaculture business.

Certified species include 15 species such as Yellowtail, Sea Bream, Tilapia, Pangasius, Shrimp, Shell Fish, Abalone. 816 farming sites in 39 countries in the world have acquired this certification as of February 2019.

The certification system of natural fish is operated by MSC (Marine Stewardship Council).

#### (Note 2) CoC Certification:

This is the certification operated by Aquaculture Stewardship Council regarding Chain of Custody which represents the management of the supply chain of the products and certifies that certified farmed products are managed adequately without contamination of non-certified raw materials and false labeling in the course of production, processing and distribution of the products.

### O Acquires BAP Certification of Salmon/Trout

Salmones Antartica S.A. (SA) (Chile), the Nissui Group company, has acquired BAP (Best Aquaculture Practices) (Note 1) (Note 2) certification of Salmon/Trout at its Los Tambores freshwater aquaculture farm (La Union, Los Rios Region) on August 9, 2019. The certification number is H10408.



SA has acquired three BAP certifications in the past at its fish feed plant (Los Àngeles, Bio Bio Region) in August 2018, its processing plant (Isela de Chiloé, Los Lagos Region) in January 2019, and its farming site (seawater farming site in Sector 1, Bahia Acantilada, Aisen Region) in March 2019. With its recent acquisition of certification at the fresh-water aquaculture farm, it has acquired certification in all processes (hatchery (fresh-water aquaculture farm), fish feed production plant, farming site, and processing plant) and has earned the highest-ranking "4-star" status.

#### (Note 1) BAP certification:

BAP certification, which started to be operated in 2002 by GAA (Global Aquaculture Alliance established in 1997), a nonprofit organization, is a third-party certification program that confirms environment, social responsibility, and animal welfare issues have been given consideration and that food safety has been secured at each stage of the aquaculture supply chain from hatchery to feed production plant, farming site and processing plant. BAP was approved as a first certification program in the aquaculture category by a nonprofit organization GSSI (Global Sustainable Seafood Initiative), which confirmed that the certification system and the criteria of the certification program are in line with international standard FAO's "Code of Conduct of Responsible Fisheries" and "Guidelines of the Marine Eco Label".

BAP is distinct from other certification programs in that it gives certification to each process of the aquaculture supply chain; and upon certifying each process of hatchery, feed production plant, farming site and processing plant, indicates the status through the number of stars earned through the combination of the processes. It is mainly recognized in North America and is said to be a necessary requirement for the sale of aquaculture products in North America.

(Note 2) Type of certification:

BAP Finfish, Crustacean and Mollusk Hatcheries and Nurseries Standard Issue 1.0





### Marine Eco-Labels (MSC-certified products)

The MSC (Note) is one of the foremost certification agencies. Its role is to verify fishing that is sustainable and that protects the ocean's natural environment and resources.

Marine products caught using MSC-certified fishing methods can be traced to their global source-traceability that encourages good marine resource management. MSC certification is recognized as trustworthy and rigorous, and is approved by the Global Sustainable Seafood Initiative (GSSI), a third-party benchmarking agency. Nissui has now received MSC certification for several fish grounds and species, including Alaska Pollock.

In a 2017 resource status survey, 37% of the wild-caught fish used by the Nissui Group was caught by fisheries with MSC or other certification.

To more widely promote products approved by the Marine Stewardship Council (MSC) and Aquaculture Stewardship Council (ASC), we supply Alaska Pollock, Scallops, Yellowtail and other certified fish species as high-quality marine products, using the same technologies we have developed in manufacturing "surimi" products and in aquaculture.

In the future, we will continue to work to manufacture and sell marine products demanded by the market and processed goods derived from them, which conform to our procurement policy on marine products grounded in sustainability.



(Note) MSC Certification:

Marine Stewardship Council

There were 362 certified fish species in 36 countries, and total catch by certified fishery operations was approximately 12 million tons, accounting for approximately 15% of the total global catch of natural fish (As of March 2019).







## O Hake Fishery in Chile Acquires MSC Certification

The bottom trawling and the mid-water trawling/longline fishery of *Merluccius australis* (Chilean Austral Hake) operated by Empresa de Desarrollo Pesquero de Chile S.A. (EMPEDES, Santiago, Chile), the Nissui Group company and three other companies in the 10th, 11th, and 12th regions of Chile's coastal waters acquired MSC certification (Fisheries Certification Requirement (FCR) Version 2.0), on September 24, 2019. With the acquisition of this MSC certification, Nissui promises to deliver safe and secure natural fish to even more people around the world and will continue to make efforts for the sustainable use of resources and sustainable fishery going forward.

In 1976, Nissui dispatched a fleet of large trawlers to conduct trial operations off the coast of Chile and the promising results of the operation led to the establishment of EMPEDES in 1978 to develop fishery of the untapped resources of the Chilean coast. Nissui developed Chile's marine products industry by fishing for marine products that had not been caught in Chile before, such as Chilean Austral Hake, Hoki, Kingklip, Silver Warehou, Southern Blue Whiting, etc., and processing and freezing them at sea and exporting them overseas. Currently, they are being exported to countries in Europe, South America and to China, in addition to Japan.

## O Promoting the Acquisition of MEL Certification

MEL is a certification scheme to promote the initiatives by producers who proactively engage in sustainable use of marine resources and activities to protect the ecosystem, as well as the initiatives of processors and distributors who proactively handle the marine products of such producers; and to ensure the transparency of the handling of marine products at each stage including fishery, aquaculture, processing and distribution and to contribute to the selection by and the gaining of trust of related operators and consumers. This scheme is operated by Marine Eco-Label Japan, which was launched in December 2016, with three types of MEL certification: (1) Fisheries certification, (2) Aquaculture certification and (3) Chain of Custody (CoC) certification. In 2019, "MEL V2," was recognized by the GSSI (Global Sustainable Seafood Initiative), a benchmarking agency for international marine eco-labels, marking the first time an Asian marine eco-label scheme has received recognition. Marine eco-labels approved by GSSI (e.g. MSC and ASC) are, in effect, international standards, that are adopted as procurement standards by the world's major retailers.



#### Acquires First MEL Certification for Bluefin Tuna

Kaneko Sangyo Co., Ltd., the Nissui Group company, on July 26, 2019, acquired Aquaculture Management Standard Ver. 1.0 certification of Marine Eco-Label Japan (MEL) for its Bluefin Tuna (Artificial seedlings, 4 fishing farms) and its Red Sea Bream (3 fishing farms) at its fishing farms in Nagasaki prefecture. The certification numbers are JFRCA10A7200011 and JFRCA10A7200021. Going forward, we also intend to acquire the Chain of Custody (CoC) certification and work to ship out sustainable processed products.

The bluefin tuna aquaculture business of Kaneko Sangyo has commenced the shipment of completely farmed Bluefin Tuna from fiscal 2019. Additionally, the Nissui Group is aiming for a sustainable aquaculture business by such means as increasing the use of the formula feed "T-sage," developed by the Group, and "Moist Pellets" (accounting for 10 to 30 percent of the formula feed). We will continue to make efforts to become an enterprise that is always mindful of the earth environment by increasing the ratio of MEL-certified artificial seedlings and formula feed and deliver products that are even more trusted by our customers.

## Domestic Coho Salmon Farming and Processed Coho Salmon Receive MEL Certification for the First Time

Yumigahama Suisan Co., Ltd., the Nissui Group company, acquired the Marine Eco-Label Japan ("MEL") Coho Salmon Aquaculture Management Standard Ver. 1.0 certification for its proprietary and contracted freshwater farming sites and a portion of the fishponds in Miho Bay, Tottori Prefecture on April 17, 2019, and the MEL Chain of Custody Standard (CoC) Ver. 2.0 certification of its processed Coho Salmon on the same date. The certification numbers are JFRCA10A5800011 and JFRCA20C5800011.

This was the first time certification was awarded to domestic coho salmon farming and processed coho salmon, and the first time a Nissui Group company received this certification. Going forward, we are aiming to increase the number of Coho Salmon certified by MEL and deliver products that are even more trusted by our customers.

## O Acquisition Status of Marine Eco-Labels

To enhance the sustainability of marine resources, the Nissui Group is making efforts to acquire and spread marine eco-labels.

Acquisition status of marine eco-labels

		FY2018	FY2019		
Name of certification	Number of products Total sales volume (tons/year)		Number of products	Total sales volume (tons/year)	
MSC (Note 1)	20	2,189.8	25	2,699.0	
ASC (Note 2)	1	18.9	4	10,932.3	

(Note 1) Scope of data: Products for which applications were made by Nippon Suisan Kaisha, Ltd. (As of May of each year. As of November, for 2018) (Note 2) Scope of data: Products for which applications were made by Nippon Suisan Kaisha, Ltd. and its Japanese group companies (As of February of each year)

## O Cooperation in the Sustainable Seafood Week

Each year the Marine Stewardship Council Japan Office holds the "Sustainable Seafood Week" campaign to promote the use of MSC-labeled and ASC-labeled foods.

Nissui supports the cause and cooperates in this campaign.

Website of Sustainable Seafood Week (in Japanese) http://sseafood.net/blog-entry-57.html

## **Activities of Group Companies**

## O Development of a New Fishing Method (PSH) (Sealord Group, Ltd.)

In order to enhance the sustainable use of marine resources, innovations will also need to be made to the methods of fishing. The problems of fishing methods that destroy the marine environment and bycatch, i.e. the incidental capture of non-target species have been raising concern, and the development of fishing methods that cause the minimum amount of damage to living organisms and the environment has become imperative, for the sake of preventing the marine ecosystem from deteriorating.

The Sealord Group, Ltd. (New Zealand), the Nissui Group company, in partnership with major domestic fisheries companies, Aotearoa Fisheries, Ltd. and Sanford, Ltd. and the research institute, Plant & Food Research, Ltd. which studies sustainable agriculture and fisheries business, has successfully developed the PSH (Precision Seafood Harvesting) fishing method, which reduces bycatch and allows the targeted fish to be caught alive.



The PSH method uses fishing equipment made of flexible PVC which inflates into a tube shape once seawater flows in, allowing fish to be landed live and still swimming, while undersized or smaller species escape through specifically sized holes along the length of the fishing equipment.

Scientific tests have shown that snapper harvested with the PSH system have a 100% chance of survival if they are fished from a depth of 0 to 20 meters. While the survival rates tend to decline with increasing depth, tests have proven that fish caught with the PSH system have better survival rates than those caught using other conventional fishing methods.

Hence, it is believed that the PSH system will be an effective method for studying deep sea organisms and catching fish in the deep depths of the ocean.

The four companies, mentioned above, through repeated trial and error including investigative research over the approximately ten years from the project's launch in 2005, were finally able to commercialize (practical application) the PSH fishing method in 2016. The Sealord Group, Ltd. is currently expanding the use of the PSH fishing method and making efforts to contribute to the spread of sustainable fishery.

### O Partnership with New England Aquarium

Gorton's has been forming partnership with New England Aquarium (NEAq), Boston MA. USA, to preserve marine environment and secure sustainable marine resources. The partnership started in 2008 when Gorton's asked evaluation of its seafood products from scientific and sustainable points of view and marked its 11th year in December 2019.



Along with Monterey Aquarium, NEAq has global knowledge of marine resource research and provides scientific and meaningful advice and support including movement of fishery, aquaculture, fish feed and breeding in the conduct of making efforts to promote sustainable fishery.

In addition, Gorton's itself developed Sustainability Action Plan, and has been promoting the plan by exchanging opinion with NEAq and implementing progress management by setting KPI.

Based on the strong trust with NEAq until now, Gorton's, member of the Nissui Group, will make efforts toward sustainable usage of resources and preservation of the environment in a positive manner.

## **Reducing Environmental Impact**

The Nissui Group has set CO<sub>2</sub> emission, water usage and waste production as three important benchmarks for its efforts to reduce environmental impact. We have set medium- to long-term targets for Nissui and Its group companies in Japan. We are committed to contribute to the various visions of sustainability proposed on a global level including the SDGs, the Paris Agreement and the realization of a sound material-cycle society.

Medium- to long-term environmental impact reduction targets (Compared to fiscal 2015)

Environmental	Scope	Medium-term targ	Long-term targets (to		
benchmarks	Scope		Results in fiscal 2019	fiscal 2030)	
CO <sub>2</sub>		Reduction of 10% (Per unit)	Reduction of 14.0% (Per unit)	Reduction of 15% (Per unit)	
Water		Reduction of 10% (Per unit)	Reduction of 10.7% (Per unit)	-	
Waste	Nippon Suisan Kaisha, Ltd. and its group companies in Japan (including 5 unconsolidated affiliate companies in Japan)	<ul><li>(i) Reduction of 5% (Per unit)</li><li>(ii) Zero emission Raise the percentage of plants with 99% or higher zero emission rate to 75%</li></ul>	(i) Reduction of 7.8% (Per unit)  (ii)Percentage of plants with 99% or higher zero emission rate: 67.6% Number of sites achieved: Nissui 8/8 the Nissui Group companies 15/26	Raise the percentage of plants with 99% or higher zero emission rate to 100%	
HCFC(HFC) leakage level	Nippon Suisan Kaisha, Ltd. (Nissui)	Less than 1,000 tons- CO <sub>2</sub> /year	2,671.2t-CO <sub>2</sub>	-	

Click here for medium- to long-term food loss reduction targets. > Click here for ESG environmental data. >

## O Environmentally-friendly Product Design

The package of Nissui's sh sausage use "eco-clips" instead of the conventional metal stops. Using "eco-clips" reduces the use of aluminum by 120 tons per year and also leads to the proper sorting of trash once the sh sausages are consumed. Additionally, the "*Meku-tape* (Peel-off-tape)" currently being used in products with "eco-clips" allows the sh sausage to be opened without using sharp objects such as scissors and to be consumed more safely and conveniently.



#### Improving usability through the new technology, "Raku-ake (Easy open)"

Starting from 2007, all products with "eco-clips" were made with "Meku-tape (Peel-off tape)" allowing the fish sausage to be opened without using blades such as scissors. Starting from March 2019, the new technology, "Raku-ake (Easy open)," has been introduced in "Hokkaido Sausage" and "Ma-aji no Umami Sausage." "Raku-ake (Easy open)" is a functional design with improved usability allowing the seal portion of the inner packing film to be opened from "any direction" and "as many times as necessary." Going forward Nissui aims to expand this technology to other fish sausages in order to have more customers conveniently enjoy fish sausages.







#### "Shizenkaito-de-oishii" (Delicious Thawed at Room Temperature)

The "Shizenkaito-de-oishii" series of frozen prepared foods for retail, which can be packed into lunch boxes straight out of the freezer, are energy-saving frozen foods because they do not require reheating in the microwave. The "Shizenkaito-de-oishii" frozen prepared food series won the Excellence Award for Energy Saving Product of the Eco-Products Award in 2012, and has long been popular as products that makes eco-food preparation possible.





### Shift to Lightweight Containers and Packaging

The inhouse project to shift to eco-friendly containers and packaging has been reviewing containers and packaging of the core products in frozen prepared foods for retail and surimi-based products for retail, which is indispensable for promoting 3R efforts for a sound material-cycle society.



Results of reduction of plastic containers and packaging

	Reduction volume (kg)	Details
FY2018	4,896	[Scope] 21 items of frozen prepared foods for retail and 13 items of surimi-based products for retail. [Details of initiatives] The weight per film was made lighter by reducing the width of the outer packaging film and the thickness of the film.
FY2019	15,630	[Scope] 17 items of frozen prepared foods for retail and 22 items of surimi-based products for retail. [Details of initiatives] The weight per film was made lighter by reducing the width of the outer packaging film and the thickness of the film.

## O Reduction of CO<sub>2</sub> Emission through the Adoption of Gas Cogeneration (Combined Heat and Power Supply System)

The Kashima No.1 Plant and the Kashima No.2 Plant of the Fine Chemicals General Plant switched to electricity using city gas as fuel for a part of its electrical energy, which had been previously purchased.

The Kashima No.1 Plant and the Kashima No.2 Plant are leading plants of Nissui's Fine Chemicals Business, which use state-of-the-art technology to extract and refine EPA and DHA (functional materials) from blue-backed fish (a category of fish used in Japanese cuisine. e.g.: sardine, mackerel). The plants have recently entered into a new agreement with the gas company to install cogeneration facilities (combined heat and power supply) using city gas as fuel on the plant's premises and the supply of electricity started in October 2019. By effectively utilizing the exhaust heat collected from power generation to make steam and hot water, a reduction of approximately 5% per year (541tons-CO<sub>2</sub>) in CO<sub>2</sub> emission can be expected compared to previous methods.





### Adoption of HFC-free Refrigerators

In 2020, the Hachioji General Plant, which produces various foods including frozen prepared foods, took advantage of the Ministry of the Environment "Subsidies for CO<sub>2</sub> Emission Reduction Countermeasures Projects" and switched to the HFC-free, direct expansion CO<sub>2</sub> freezer unit manufactured by Mitsubishi Heavy Industries Air-Conditioning and Refrigeration, Ltd. The Hachioji General Plant had previously used the chlorodifluoromethane R22 (Note 1), which is commonly referred to as old refrigerant, for the frozen storage of its primary raw materials and products. As this switch will entail the use of R774 (CO<sub>2</sub> refrigerant), a green refrigerant, the global warming potential (GWP) (Note 2) will drastically drop to "1/1810" (Note 3), which will lead to the reduction of the environmental impact. The Hachioji General Plant will take this opportunity to further promote the switch to natural refrigeration.

(Note 1) R22: A refrigerant containing hydrogen in addition to chlorine and other substances. Unlike designated CFCs, whose production was terminated in 1995, R22 is not as destructive to the ozone layer but because of its greenhouse gas effects, some governments are currently promoting the switch to green refrigerants that do not contain HFC.

(Note 2) Global warming potential (GWP): A measure of the global warming effects in greenhouse gases other than carbon dioxide, on the basis of carbon dioxide.

(Note 3): From the Ministry of the Environment sources.





## O Promoting the Use of Electric Vehicles (EV) to Employees (F.W. Bryce, Inc.)

The Nissui Group company, F.W. Bryce, Inc. (U.S.) imports and sells marine products from Alaska where the Nissui Group bases are located, as well as Norway, Canada, Iceland, and other parts of the world. At its headquarters in Gloucester Massachusetts, F.W. Bryce, Inc. installed a charging station in the parking lot for electric vehicles (EV) to be used by its employees and others. EVs do not emit CO<sub>2</sub> and other air polluting substances while driving since they do not run on gasoline. However, EVs need to recharge their batteries using dedicated charging facilities instead of gasoline. By installing this charging facility at the parking lot, F.W. Bryce, Inc. is encouraging employees to use vehicles with a smaller environmental impact in their commuting and other occations. These efforts have also led to the reduction of the emission of CO<sub>2</sub> and other air polluting substances for the company as a whole.





## O Collaboration with Partners in Recycling Through Methanation and the Recycling Loop (Cité Marine S.A.S.)

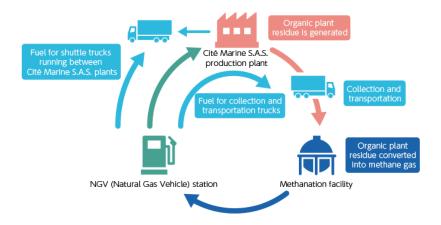
The Nissui Group company, Cité Marine S.A.S., is a company that manufactures processed marine products in France. Since 2017, Cité Marine S.A.S. has been collaborating with Veolia (Note 1) and Liger (Note 2) to conduct 100% methanation of organic plant residue (breadcrumbs, sauces, and fish scraps generated from the production process) and waste oil extracted from used water prior to treatment.

The methanation facility of Liger is located about 40 kilometers from the main plants of Cité Marine S.A.S. At this facility, organic plant residue and waste oil are converted into methane gas (biogas). Subsequently, biomethane is extracted from this methane gas and supplied to Liger's NGV (Natural Gas Vehicle) station. Almost every day, trucks running on this biomethane as fuel can be seen collecting the organic plant residue mentioned above, which, in effect, is forming a complete recycling loop. In addition, the shuttle trucks which run between the plants of Cité Marine S.A.S. in Kervignac also use these biogas as fuel.

According to Veolia's estimates of  $CO_2$  emission, in 2019, with these efforts, methane gas emission was curbed to 1,154.2 tons/year in  $CO_2$  equivalent, and the mileage achieved by biomethane fuel was 8,079,365 km for the average vehicle (Calculated by certified GreenPath tool). This process of creating biogas by methane fermenting organic plant residue and waste oil and using the biogas will not only lead to the prevention of global warming but also the reduction of waste, the promotion of recycling, and the formation of a sound material-cycle society.

(Note 1): An international conglomerate headquartered in Paris, France, off ering comprehensive environment management services.

 $(Note\ 2): An\ innovation\ company\ dealing\ with\ renewable\ energy\ located\ in\ Locmin\'e,\ in\ Bretagne,\ France.$ 





## **Biodiversity Preservation**

In recognition of the importance of the preservation of biodiversity, the Nissui Group revised its <u>Environmental Code</u> in 2014 and upholds preservation of biodiversity in its Policies. Since then, we have been engaged in activities to preserve biodiversity in the natural environment surrounding the Group's domestic business locations around the country.

## O Certification as a Collaborative Business by the Japan Committee of the United Nations Decade on Biodiversity (UNDB-J)

The UNDB-J is a committee formed in September 2011 aiming to achieve the Aichi Biodiversity Targets (Note), which encourages the engagement and collaboration of all domestic sectors and promotes initiatives for the preservation and the sustainable utilization of biodiversity. As one of its activities, the UNDB-J certifies collaborative businesses and evaluates the recommended activities in the projects undertaken by UNDB-J member organizations and related government agencies, from various perspectives including "cooperation with diverse entities," "the materiality of initiatives," and "the effects of announcing the initiatives."



The Logo of UNDB-J

On April 7, 2020, the Nissui Group was certified as a collaborative business by the UNDB-J for its forest preservation activities in the "Forest that Protects Spring Water Nurturing the Fish and the Sea." These activities conducted with the cooperation of Nissui, Kyowasuisan Kabushiki Kaisha, Yumigahama Suisan Co., Ltd., Tottori Prefecture and Kotoura Town of Tottori Prefecture, aim to build a bountiful sea which will be home to diverse living organisms by maintaining nutrient-rich spring water through the preservation of the forest. Going forward, the Nissui Group will continue to collaborate with various stakeholders and engage in activities to achieve one of the key issues, "Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement."

#### Related press release (in Japanese) >

(Note): The United Nations has designated the period from 2011 to 2020 as the "United Nations Decade on Biodiversity." At the Tenth Conference of the Parties to the Convention on Biological Diversity (COP 10) held in Nagoya on October 2010, the "Aichi Targets," new global targets for the preservation of biodiversity, were adopted.

## O Environmental Workshop at the Fujimae-Higata (Fujimae Tidal Flat)

On June 2, 2019, 27 employees of the Nissui Group and their family members participated in an event to learn about biodiversity at the Fujimae-Higata, a registered Ramsar Convention site, in the city of Nagoya. This is the second time that this event, which began in 2018, is being held.

With the cooperation of the NPO, Fujimae Ramsar Society, participants, after listening to a lecture about the history of the tidal flat, got a hands-on experience of biodiversity by plunging into the tidal flats barefoot and finding various forms of life. Participants also picked litter at the nearby quay and spent the day experiencing the importance of the sea.





## O Learning about and Feeling the Creatures of the Sea at the Suma Aqualife Park in Kobe

On March 9, 2019, an event was held to become familiar with marine organisms and to learn about the marine environment and marine biodiversity at the Suma Aqualife Park in Kobe, and 110 employees of the Nissui Group and their family members participated.

Participants listened to explanations about raising animals in the backyard and observed the preparation of feed and the aquarium maintenance facilities. Additionally, by touching dolphins, the participants became familiar with creatures of the sea other than fish and listened to a lecture on the marine environment in front of the large tank.

We learned about the current status of the sea, which is important for us who work for the Nissui Group, and further enhanced our commitment to protect the creatures that live in the sea.









### O Jigyohama, Hakata Bay Beach-building Activities

On September 8, 2019, 46 employees of the Nissui Group and their family members participated in an event to make and plant "amamo" (eelgrass) seedlings (Note) at Jigyohama in Hakata Bay. This is the second time that this event, which began in 2018, is being held.

With the cooperation of Fukuoka FUN (Field & Underwater Naturalists), participants, after listening to a lecture about the status of litter at the bottom of Hakata Bay and the problems of a dysoxic environment, made clay balls with "amamo" seeds kneaded into them and "amamo" seedlings. The participants engaged in activities to "amamo" meadows in the sea, as some participants wore masks and snorkels to plant the seedlings into the sea, while others threw the clay balls into the sea from the beach.

The participants were also able to confirm that the "amamo" planted in 2018 had steadily taken root. Going forward we will continue to carry out activities to build the sea with the hopes of turning Jigyohama into a bountiful sea.

(Note) *Amamo* (eelgrass): A seed plant that grows in the sea that is called the "cradle of the sea," providing homes to small fish and shrimp.









### O Protecting the Near Threatened Piping Plovers (Gorton's, Inc.)

Piping Plovers, which have been categorized as Near Threatened (NT) on the IUCN Red List (Note 1), are an endangered species to New England, the North East region of the US and the home of Gorton's, the Nissui Group company. The Piping Plovers' habitat is the coast line and the intrusion by people and dogs, among others, on their nesting sites is said to be the cause of their decline.



Many volunteers are participating in activities to protect the Piping Plovers at Good Harbor Beach in the port town of Gloucester Massachusetts, the home of Gorton's. In 2018, as a result of the various efforts by volunteers including members of Gorton's, many eggs were hatched on the shore.

In 2019, the second year of the partnership with the City of Gloucester and various organizations (Note 2), Gorton's carried out activities to protect the Piping Plovers during their breeding season. Piping Plovers tend to lay their eggs from the end of May to the beginning of June. Therefore, the volunteers decided to keep watch over the chicks for the few months after they were hatched when they were their most vulnerable. On Mondays, Wednesdays, and Fridays of every week during June and July, the volunteers walked around the Good Harbor Beach for an hour to protect the chicks from the people and dogs on the beach. As a result of the efforts of all those involved, three of the four surviving chicks hatched from the eggs and were able to fly away from the beach.

(Note 1) IUCN Red List: List of endangered species compiled by the International Union for Conservation of Nature (IUCN). Information on over 90,000 species are posted on its site, and the Red List compiled by Japan's Ministry of the Environment and its assessment are based on this list.

(Note 2): The Gloucester Conservation Department, Essex County Greenbelt, Mass Wildlife, and Gloucester DPW.

## O Preservation of Aquatic Organisms and the Expansion of the Protection Area (Nissui (Thailand) Co., Ltd.)

Nissui (Thailand) Co., Ltd. (NTC), the Nissui Group company, is engaged in the processing of fish including salmon/trout in Hatyai, Thailand. NTC takes the area in which it is located and the resources and environment of this area seriously. In April 2019, the employees of NTC participated in local activities for the protection of aquatic organisms and the expansion of the protection area, in an effort to protect sustainable resources. These activities involved working with the students and local residents to release the indigenous fish species into the public canals to enable them to breed.



## Material-Balance

## O Flow of Resources and Energy in FY2019



We procure raw materials across the world while taking good care of resources and the global environment. We are also making efforts to reduce the use of materials, packaging, and containers and to engage in green procurement.





We create diverse value, including seafood ingredients and foods with a focus on great taste and quality, and functional materials that contribute to health, while giving due consideration to the sustainable use of marine resources.

#### Marine Products

We strengthen our access We create new value to marine resources to provide a stable supply of seafood (fresh and frozen fish) that is safe, reliable, and delicious.

through food that contributes to society, such as accommodating changes in eating habits and proposing lowsodium foods.

We use R&D technology that takes advantage of marine resources to create functional materials such as EPA and DHA. We aim to make greater contributions in the field of health.

#### **INPUT**

#### Water resources

4,921 thousand m<sup>3</sup> of city water, well water, and industrial water



Purchased electricity: 275.568 thousand kWh Heavy fuel oil A: 29,793 kL Kerosene: 1,413 kL Diesel: 3,064 kL City gas: 19,976 thousand m3



#### OUTPUT

Animal and plant residue, waste oil, and sludge

Generated: 44,641 tons

Recycled: 42,890 tons (Recycling rate: 98%) Amount processed/dis

posed: 1,751 tons

#### Drained into water systems/s

Effluent and BOD, etc. Water discharge: 226.2 thousand m<sup>3</sup> BOD: 0.8 tons



#### Effluent and BOD, etc.

CO2 and other gases CO<sub>2</sub>: 281,841 ton- $CO_2$ 



Note: Numerical data for INPUT and OUTPUT represent the totals of Nippon Suisan Kaisha, Ltd. and its group companies in Japan (including 5 unconsolidated affiliate companies in Japan), which is the scope of the report of the activities to reduce environmental impact. However, data for "draining systems/sewers" are Nippon Suisan Kaisha, Ltd.'s individual amounts. Also, percentage figures for recycling of waste are derived after domestic



We are building a value network that achieves both efficient distribution and environment-friendliness. Furthermore, we are developing a wide range of sea and food-related businesses by making the most of the human resources and technologies we have developed over the years.

.....

We operate a cold storage business, a third-party logistics business which provides integrated logistics services, and an international marine logistics business. We always aim to improve distribution efficiency by expanding storage capacity.

#### Other Rusinesses

We engage in the construction and operation of ships, sales of equipment and hardware for food processing, support of marine research, and other related operations.



We provide products with thorough commitment to taste, ease of eating, safety and reliability.



Surimi-

products









prepared foods



We are also working hard to reduce the volume of product containers and packaging that ends up as waste after customers use products.

#### Food Loss and Waste

Food loss and waste refers to food that can still be eaten but is thrown away. It is said that there are food loss and waste with 1,300 million tons each year globally. And while Japan has a low food self-sufficiency rate at around 40% and depends largely on imports for its food, more than 6 million tons thrown away each year. On the other hand, 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.

The Nissui Group, as part of its corporate responsibility of a company handling food, has designated food loss as one of its key issues. Mainly through the Food Loss and Waste Subcommittee, we are addressing this issue throughout the supply chain, including raising the awareness of its employees and activities involving the general public, as well as reducing loss in the conventional stages of production, distribution and consumption.

#### Reduction of Food Loss and Waste Throughout the Supply Chain



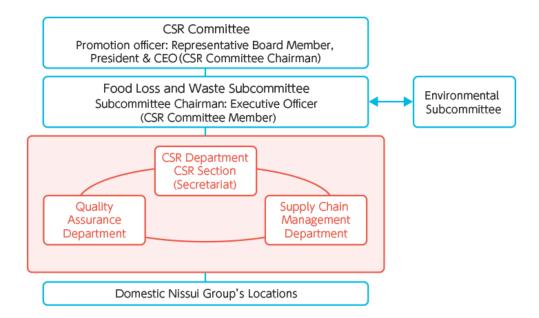
<sup>\*</sup> Food bank: A group which brings together food products with no quality problems but are unsuitable for sale, and people who can't obtain enough food.

In Japan, the Act on Promoting Food Loss and Waste Reduction (Food Loss and Waste Act) was promulgated in May 2019 (enacted in October 2019). We are making more proactive efforts than ever before to contribute to the SDGs target of halving global food waste by 2030 mentioned in the above Act, as well as to seriously address our obligations as a business operator under the law.

The Food Loss and Waste Subcommittee, chaired by the Executive Officer, is engaged in initiatives to reduce food loss and waste in the businesses across the domestic Group companies and to raise the awareness of the employees.

#### O Promotion Framework

The Food Loss and Waste Subcommittee, chaired by the Executive Officer, is engaged in initiatives to reduce food loss and waste in the businesses across the Group companies in Japan and to raise the awareness of the employees.



## O Medium- to Long-term Targets for Food Loss and Waste Reduction

The Nissui Group established its own definition of food loss and waste (Note) 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.

Medium- to long-term food loss and waste reduction targets (Compared to fiscal 2017)

Scano		Medium-term targets (to fiscal 2023)		Long-term targets	
	Scope		Results of progress in fiscal 2019	(to fiscal 2030)	
Initiatives to reduce food loss and waste	Nippon Suisan Kaisha, Ltd. and its group companies in Japan (including 5 unconsolidated affiliate companies in Japan)	Reduction of 6% (Per unit)	Reduction of 12.1% (Per unit)	Reduction of 10% (Per unit)	

(Note) The 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.

# O Initiatives to Extend Best-before Periods and Switch to Year/Month Labeling

Nissui is going forward with initiatives to change the labeling of best-before periods in an effort to reduce food loss and waste. All tinned food products excluding private-brand items manufactured on and after July 1, 2019 are labeled with best-before periods expressed in year/month (labeling format has changed from the conventional year/month/day to year/month.) In this labeling process, storage tests were carried out to check how long quality can be maintained, and it was confirmed that the best-before periods could be extended. As a result of these efforts, we can expect more efficient distribution as well as the reduction of food loss and waste on the entire supply chain. The Nissui Group has also begun efforts to significantly extend the best-before periods of other products including frozen prepared foods for retail and commercial uses, bottled foods, and pre-packed foods.



## O Adoption of a Garbage Disposer

In fiscal 2019, the Nissui Group company, Kaneko Shokuhin Co., Ltd., promoted the recycling of animal and plant residue through the adoption of a garbage disposer. Kaneko Shokuhin manufactures frozen prepared foods and in the production process, generates approximately 800 kilograms of "oniba (Note)" inedible parts of its raw material cabbages per day. Previously, Kaneko Shokuhin had asked designated farmers in the area to collect such waste for composting. However, year-round recycling became difficult due to the quick rate of decomposition during the summer months (July through September) and other reasons and a part of the waste could not be composted and had to be disposed of by incineration. Therefore, the company adopted a garbage disposer with a maximum 1,000-kilogram processing capacity and began processing the outer leaves and hearts of cabbages generated within the plant. As a result, in fiscal 2019, Kaneko Shokuhin was able to reduce the cabbage disposed of by incineration to approximately a tenth of the previous volume.

(Note) "Oniba": The outer leaves and hearts of cabbage and lettuce.





### O Initiatives with Second Harvest Japan

#### | Actual Donations

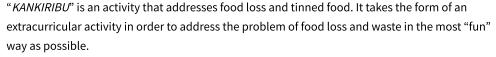
Since fiscal 2008, Nissui has been donating frozen food to Second Harvest Japan, a NPO that provides food to people in need. Second Harvest Japan plays the role of a food bank for people who cannot get enough food, providing them with foods that have no quality problems but cannot be sold due to being sub selling standards. Going forward, Nissui will continue these activities that lead to providing support to orphanages and mother and child living support facilities, while at the same time reducing the discarding of still-edible food.



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Actual donations	17.8t	13.7t	9.6t	12.6t	9.4t	6.5t

#### • KANKIRIBU

In fiscal 2018, the Nissui "KANKIRIBU" was launched under the slogan of "Do not let tinned food become food loss" (Sponsored by Nippon Suisan Kaisha, Ltd., with the cooperation of Food Salvage Inc.). While the "KANKIRIBU" in fiscal 2018 was open only to general consumers, starting from fiscal 2019, "KANKIRIBU" activities were expanded to the employees and held three times during the year. A total of 59 participants took part.



Tinned food with long best-before period can be used not only in everyday meals but also as effective emergency provisions. However, because they are stored for a long time, we need to be careful to prevent them from going to waste as a result of not noticing the expiration of their Best-before Periods.

Tinned seafood ranks high among foodstuffs that consumers are not sure what to do with at home (according to a survey by Food Salvage) and in fact, the Nissui Customer Service Center receives calls from customers on how to use tinned food products.

At the "KANKIRIBU", chefs give lectures, while general applicants, the "extracurricular club members," learn to cook using "Nissui's tinned products and foodstuffs that tend to be difficult to deal with." Participants experience cooking outside of the box and learn ideas on how to prevent food loss.

In fiscal 2018, "KANKIRIBU" events were held three times in Tokyo with a total of 64 participants. Unique dishes that depart from conventional recipes were presented at each event. Another unique feature was the large number of children participants. "KANKIRIBU" welcomes the participation of children, based on its belief that food loss and waste is a problem that needs to be addressed into the future.







### • "Let's eat everything on our plates!" Food Loss Reduction Campaign

Nissui is promoting a campaign to eat everything on our plates when ordering food in restaurants at office summer parties and end-of-the-year parties. The program aims to have as many employees as possible address the problem of food loss, which is one of the key issues to be addressed in CSR management, in a "fun" way. Nissui is also contributing to the support of people around the world suffering from hunger through this activity. Fiscal 2019 marked the third year for the program. Based on the number of participants of the two campaigns conducted in the past, we have set the amount of loss saved per person at 100 yen, and we have donated the amount equivalent to the "number of participants x 100 yen" to the United Nations' WFP (Note). The donation will go towards the School Feeding Program to help impoverished children around the world.

	FY2017	FY2018	FY2019
The number of participants (Persons)	1,133	1,543	1,649
Donation Amount (Yen)	113,300	154,300	164,900



Excellence Award Nissui Division Product Research & Development Department



Excellence Award Group Companies Division Nippo Shokuhin Kogyo Co., Ltd.

In fiscal 2018, we expanded these activities to our group companies in Japan and awarded a crystal plaque autographed by President Matono to business locations that were especially proactive in these activities. The plaque is in the shape of a plate.

Additionally, <u>"MY BOX" containers</u> (personal food containers made of LIMEX) were distributed within the company to be used to take home left-overs.

(Note) United Nations' WFP: United Nations' World Food Programme

## O Food Drive at the Nippon Suisan Kaisha, Ltd. Head Office

Food drives are activities conducted at schools and at the workplace to collect unused food that has been brought in from home and donate them to local welfare organizations and facilities and food banks. Food drives have long been popular in Europe and the US as initiatives to reduce food loss and have also been gaining recognition in Japan in recent years.

Nissui conducted a food drive at its head office from February 27 to March 4, 2020. 53 boxes of food, including unwanted gifts and excessive food purchases, were gathered and all donated to the NPO, Second Harvest Japan. The employees expressed opinions such as, "This was a good opportunity to become aware of food loss and the problem of poverty," and "Next time, I would like to donate personally," indicating that this food drive had provided an opportunity for the employees to think about food loss which was happening around them.



# O Reducing Food Loss by Using Apps at the Company's Retail Outlets (Cité Marine S.A.S.)

The Nissui Group company, Cité Marine S.A.S., operates retail outlets selling its products, in addition to manufacturing processed marine products in France. In 2019, the smartphone app, "Too Good To Go," was implemented at the Cité Marine stores, in order to effectively utilize foods nearing their best-by dates. At the end of business hours at the end of the day, the employees at check-out put together a "Surprise Basket" containing foods with short periods until their best-by dates. Users registered on the app visit the store and purchase the basket. Items nearing the end of their best-by dates, which had previously been discarded, are being re-evaluated through this app, and being sold at a third of their original price. The office of "Too Good To Go" has announced that in the six countries (France, UK, Germany, Switzerland, Denmark, and Norway) where the app is used, the app contributed to reducing 1 million meals that would have ended up as food loss.

## Preservation of the "forest, river and sea"

The preservation of the sea is crucial for the Nissui Group, whose business relies on its bounties. In order to sustainably utilize marine resources, efforts to maintain the health of the sea itself and to aid its recovery, as well as resource management, are essential. To this end, we are engaged in preservation activities that take a holistic approach to the "forest, river and sea."

It all started with a lecture titled "What oysters taught me" given at Nissui's head office in February 2011. The lecturer, Mr. Shigeatsu Hatakeyama who was operating an oyster farm in Kesennuma, Miyagi Prefecture, taught us about "*Uotsukirin* (fish-breeding forest)," a traditional idea of Japanese fishers, and how abundant forests are the very source of abundant seas. Since then, Nissui has been engaged in activities based on the concept of a coordinated preservation of the "forest, river and sea" at various locations.



Mr. Shigeatsu Hatakeyama Talking About Tree Planting to Protect the Sea

# O Participation in "Tottori Kyosei-No-Mori (Tottori Co-Existence Forest)"

#### ■ The Forest that Protects Spring Water Nurturing Fish and the Sea

Tottori Prefecture is the home of the Nissui Group companies Yumigahama Suisan Co., Ltd., which is engaged in the aquaculture and processing businesses and Kyowasuisan Kabushiki Kaisha, a fishery company. The farming-related facility of Yumigahama Suisan is located at the foot of Mt. Senjozan which is in Daisen-Oki National Park of Kotoura Town, Tottori Prefecture and trees in certain parts of the surrounding broad-leaved forest have died and required maintenance. On October 30, 2018, Tottori Prefecture, Kotoura Town and Nissui entered into a forest preservation and management agreement in order to preserve the surrounding 5.933 hectares of forest as the "The forest that protects spring water nurturing fish and the sea."



On April 7, 2020, the Nissui Group was certified as a collaborative business by the Japan Committee of the United Nations Decade on Biodiversity (UNDB-J) for this forest preservation activities.

#### Preservation Activities

On September 28, 2019, the second preservation activities were conducted with 104 participants, including 79 employees of Nissui, Yumigahama Suisan Co., Ltd., and Kyowa Suisan Co., Ltd., and 25 persons from Tottori Prefecture, Kotoura Town, and other associations. The participants first listened to a lecture on the connection between "forest, river, and sea" and learned how forest preservation led to high-quality spring water and enriched the sea through the rivers. Subsequently, the participants entered the forest, cleared the underbrush, planted a total of 30 trees including Japanese horse chestnuts, wild cherry trees, and painted maple, and experienced first-hand the importance of protecting the forest. Nissui's President & CEO Matono also took part in the activities and worked hard along with the participants. Later, they visited the farming-related facility of Yumigahama Suisan and saw how the spring water was being used to nurture the broodstock and learned how forest preservation was integral to the businesses of each company.

The activities turned out to be a precious experience for the participants to realize the connection between "forest, river, and sea." Furthermore, these exchanges with the people of Tottori Prefecture provided an opportunity for us to become familiar with the local culture and to deepen the exchange among group companies.





## Nissui Cooperated in the "Exchange Meeting Of Green Scouts" Sponsored by the Tottori Prefecture Planting Trees Promotion Committee

On August 5 and 6, 2019, Nissui, together with Yumigahama Suisan Co., Ltd. and Kyowasuisan Kabushiki Kaisha, cooperated in the Exchange meeting of Green Scouts for 2019, sponsored by the Tottori Prefecture Planting Trees Promotion Committee. 29 members of Green Scouts from the three primary schools in Yonago City, Kurayoshi City, and Yurihama Town participated in the exchange. The children listened to a lecture on the relationship between the forest, river, and sea, observed the coho salmon in the rearing tanks at the farming-related facility of Yumigahama Suisan and experienced the clearing of underbrush at the "Forest that protects spring water nurturing fish and the sea."





#### O Preservation Activities of Utsunuki Green Zone

"The Utsunuki Green Zone" is a "satoyama (village forests)" adjacent to the Nissui Tokyo Innovation Center, which was built in 2011. Despite being located in the Minamino, Hachioji City, an urban area, it is inhabited by fire flies and other living organisms, making it a veritable treasury trove of nature.

Every year since 2013, activities have been conducted, under the instruction of the "*Utsunuki-Midori-no-Kai*," to preserve the natural environment in areas surrounding the business location and to promote co-existence with the regional community. The activities begin with a classroom lecture at the log house within the zone, in which participants learn about the connection between the "forest, river and sea," as well as the flora and fauna of the "*satoyama*," which is followed by various tasks such as mowing the underbrush in the "*satoyama*."

On June 15, 2019, activities were held for the seventh time and 34 employees and their families participated. Although it rained on that day, the participants enjoyed the natural environment of the green zone by taking part in activities such as observing plants, bamboo crafts and artwork using pressed leaves.





Nissui has been a supporting member of "Utsunuki-Midori-no-Kai" since fiscal 2015.

### **Marine Plastics**

Plastic litter and microplastics that are 5 mm or smaller in the sea are raising major concerns as a problem that affects not only the marine environment but also the ecosystem itself, requiring the immediate attention of the international community as well as that of the nation. Plastics 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 and it is also a well-known fact that 80 percent of these plastics are land-based, i.e. originate from our daily lives, such as the plastic bottles that we drink from.

To address the problem of marine plastics, Nissui will commence the promotion of 3R activities (Reduce, Reuse and Recycle) of plastics and the study of the use of alternative materials. Furthermore, Nissui will share a common awareness as a Group and carry out activities to clean up areas surrounding its business locations and public areas such as beaches and rivers for the following purposes:

- 1. To contribute to the local community; and
- 2. To pick up litter and marine debris including plastics to prevent them from running off into the sea.

### Nissui Group Establishment of Basic Policy to Address the Problem of Plastics

Nissui Group's fundamental approach regarding the problems of marine plastics and the use of plastics was deliberated, and a policy was established.

#### Nissui Group Basic Policy Regarding the Problem of Plastics

We will work alongside other stakeholders to combat the problem of marine plastics as well as other global environmental issues, and to preserve the bountiful sea

#### 1) Plastics outflowing to the ocean

Regarding plastic fishing equipment used in the fisheries and aquaculture businesses, we will prevent them from becoming microplastics and ghost gear (Note) by the use of alternative materials and assiduous management of the use of plastics

#### 2) Waste from the production stage

We will work to reduce plastic waste from our production plants and promote recycling

#### 3) Waste from the consumption stage

We will work to reduce the impact on the environment from our food containers and packaging, making use of plastic's quality retention ability and other capabilities

- Reduce the amount of plastic through continued review of product design
- Use (substitute with) plant-based resources (biomass-based plastic), easily recyclable containers and packaging, and recycled material

#### 4) Initiatives by every employee

Through participation in cleanup campaigns, employees will work to reduce plastic waste in the community, river, and sea, and preserve the marine environment

(Note)Ghost gear: Fishing equipment that is lost or abandoned and remains in the marine environment

Enactment Date: February 21, 2020

#### O Establishes Marine Environment and Plastics Subcommittee

In February 2019, the Marine Environment and Plastics Subcommittee was established, due to concerns over the impact of marine plastics on Nissui's businesses, against the backdrop of social issues including the progression of serious marine pollution on a global scale caused by marine plastics among others, the concerns for the impact of marine plastics on the marine ecosystem and human beings, and the failure of recycling to function as a result of the reduction in the effective utilization of waste plastic. The two working groups (the Marine Environment WG and the Plastics WG) are, respectively, promoting activities, with Executive Officers appointed as Chairmen of the working groups and General Managers and section chiefs of relevant divisions appointed as members.

#### Marine Environment Working Group

The Marine Environment Working Group is promoting zero emission of plastics in the marine environment.

- Monitoring of the management status of plastics used in the fisheries and aquaculture businesses, making improvements and commitments
- · Investigation of the actual outflow of microplastics and promoting activities to stop such outflow
- Promoting cleanups on land and activities to collect marine debris and other waste

#### | Plastics Working Group

The Plastics Working Group is promoting the 3R + R (Reduce, Reuse, Recycle + Renewable) of plastic resources.

- · Promoting reduction and recycling of plastics at plants, at home (disposable plastic packaging) and each stage of distribution
- Participation in and cooperation with outside organizations (CLOMA ) and information gathering

#### Promotion Framework



Click here for the results of Nissui's efforts to reduce plastic containers and packaging

## O Nissui Group Cleanup Campaign

Twice a year since 2010 the Nissui Group has been carrying out the "Cleanup Campaign," activities to clean up the areas surrounding the Group's domestic business locations around the country. In the advance information given prior to the cleanup, the participants learn that litter could potentially flow into the rivers and reach the ocean and that this activity is not merely a cleanup exercise but a way to prevent litter from flowing into the ocean, and are made aware of the relationship between this activity and Nissui's business. In the 18th Cleanup Campaign held during May and June 2019, 1,659 employees of the 111 domestic offices participated and picked up a total of 2,831 kg of rubbish.





#### l Cleanup Activities in outside Japan

Nissui Group companies in outside Japan are also carrying out activities to clean up the areas surrounding its business locations.



Nissui (Thailand) Co., Ltd. (Thailand)



Salmones Antártica S.A. (Chile)

# O Recycling by Converting Expanded Polystyrene Boxes into Materials Using EPS Compactors

The Nissui Group company, Kaneko Sangyo Co., Ltd. had been using EPS (expanded polystyrene) compactors which ran on LPG gas as fuel but has adopted the 200v electrical power-type compactor (EAP-600s) from August 2017. The company set up a recycling space within its premises and installed the compactor, which is managed and operated by the company.

Generally, the grime and odor that adhere to expanded polystyrene boxes, called fish boxes, after they have been used to transport marine products, become major issues when recycling them. And in order to convert them into high-quality materials, everything else other than the polystyrene (The same material as expanded polystyrene) such as stickers must be removed.

When compacting expanded polystyrene boxes at Kaneko Sangyo, (1) as much moisture and salt are removed from the expanded polystyrene boxes as possible, and (2) tapes, stickers made of paper and other labels are all removed by hand, as pre-processing. Subsequently, the expanded polystyrene is dropped into the compactor, where it is crushed, melted, and formed into ingots (solid pieces of plastic). Through these efforts, in fiscal 2019, the volume of processed expanded polystyrene boxes totaled 2.1tons/year (Note 1). These ingots which are formed by Kaneko Sangyo and sold as valuable resources become the raw materials for plastic products, and as they are high-quality materials, they are exported, not as waste, but as "resources" to China (Note 2).

(Note 1): Kaneko Sangyo, at the same time, is also promoting the reduced use of expanded polystyrene boxes, as part of their efforts to reduce plastic use, which has resulted in the decrease in the volume of processed expanded polystyrene.

(Note 2): In December 2017, China terminated the import of soiled, waste plastics. China now only accepts high-quality plastics.





#### O Arakawa Environmental Seminar

Since 2017, Nissui, with the cooperation of the NPO, The Arakawa Clean-aid Forum, has been learning about the river environment, experiencing biodiversity and conducting cleanup activities to pick up litter. In fiscal 2019, in addition to the seminar for new employees to get to experience the importance of the sea which started in fiscal 2018, a seminar was held in May at Arakawa for the CSR Promotion Team Members of the head office who were responsible for promoting CSR activities (One member has been assigned to each department). Additionally, in September a program for employees and family members was carried out with 20 participants. In the classroom, the participants listened to a lecture on the social issues surrounding the problem of marine plastics based on the latest data and came face-to-face with the problem in the subsequent fieldwork conducted on the riverbed. The participants were astounded at the volume of rubbish and the mounds of plastic wastein the river and thought about the tasks that could be done by each person close to home in order to solve this problem.











# O Nissui Original: "MY BOX" containers (personal food containers made of LIMEX)

In 2018, Nissui, as part of its efforts to combat food loss, made and distributed My Boxes (personal food containers made of LIMEX) to its employees. LIMEX is a new material made mainly of lime stone to replace paper and plastics. My Boxes can be used as a doggy bag to take home food left over from dining out or as an alternative to the disposable plastic containers used by food stalls and other venues. The message, "IMA JIBUNGA DEKIRUKOTO (What I can do now)" is printed on the top of the box, while the bottom shows the related SDGs and the message, "We will act responsibly and finish our food, considering there are people who do not have enough to eat" and "This is a challenge that will lead to bountiful seas."



# O Support of a Venture Addressing the Problem of Plastics Flowing into the Ocean (Pirika Inc.)

Marine litter including plastics is said to originate from the land, mainly from the cities but its discharge routes are not known. From fiscal 2018, Nissui has been a supporter of Pirika Inc., which is committed to the Albatross Project that aims to investigate the facts surrounding plastics flowing into the ocean and has commenced concrete approaches in dealing with the problems of the marine environment and the problem of plastics flowing into the ocean, which are directly connected to Nissui's business.

Details of the Albatross Project which aims to investigate the facts surrounding the problem of plastics flowing into the ocean

#### ●STEP1

Development of research methods: Develop an effective method of research on the flow of plastics into the ocean.

#### ●STEP2

Clarification of the flow mechanism: Study the mechanism of plastics flowing into the ocean (flow routes and flow items) and narrow down the problem.

#### **●STEP3**

Study and implementation of measures: Study, prioritize and implement measures to combat the problem of plastics flowing into the ocean.



Pirika Inc. 📮

## O Campaign to Cut Down on the Use of Plastic Bags "NTC say no plastic bag" (Nissui (Thailand) Co., Ltd.)

Nissui (Thailand) Co., Ltd. (NTC), the Nissui Group company, is engaged in the processing of fish including salmon/trout in Hatyai, Thailand. Nissui (Thailand) started the campaign "NTC say no plastic bag" (Say no to using plastic bags) from December 2019. This initiative aims to share knowledge on environmental problems especially those stemming from the use of plastic bags with employees and business partners and to actually cut back on their use. At the plants, the employees and vendors are being encouraged to use bags made out of natural materials rather than plastic bags. The plastic bags used in the cleaning of employee uniforms have also been switched to cloth bags. Additionally, a contest was held for handmade cloth reusable shopping bags using recycled materials.





## Switch to Compostable Coffee Cups (Sealord Group, Ltd.)

Sealord Group, Ltd., the Nissui Group company, is a New Zealand marine products company. Sealord Group had previously used plastic (polystyrene) cups internally for the employees' coffee cups and disposed of them in landfills after use. In 2019, the company made a decision to abolish them in stages and began the switch to cups made out of environmentally-friendly materials. The EcoCups made by Ecoware NZ (Note) were adopted. The EcoCups are made out of plants rather than petroleum and may be recycled by commercial composting after use. In adopting these cups, an environment that will enable recycling by composting was prepared by installing several dedicated collection bins around the company's premises. One example of these efforts is the switch from landfill disposal to recycling by commercial composting of all cups, i.e. the approximately 8,000 cups currently being used at the Nelson site of Sealord Group. In 2019, the volume of plastic reduction as a result of these efforts, together with the other business locations, reached approximately 1ton/year.

 $(Note) Ecoware\ NZ: An environmentally-friendly\ packaging\ company\ head quartered\ in\ New\ Zealand.$ 



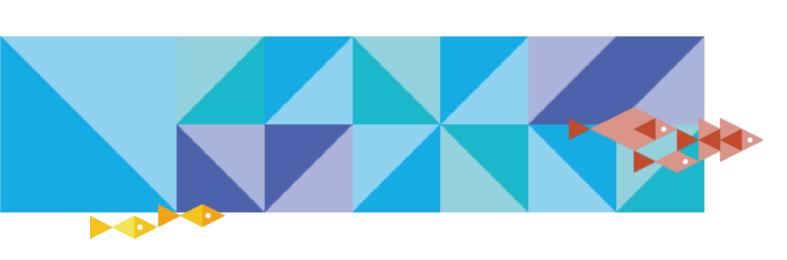


## Social

For the Customer	71
Approach to and Systems to Ensure Safety and Security	71
Initiatives to Ensure Safety and Security $\cdots$	72
Research and Development to Enrich Lives	80
For the Employee ·····	81
Diversity	81
Work Style Reform	82
Women's Empowerment	86
Employment of Seniors, People with Disabilities, and Foreign Nationals	89
Training and Development	91
Labor Safety	93
Employee Health	95

For the Business Partner	103
CSR Procurement	103
For the Shareholder and Investor	107
Corporate Citizenship	108
"Umi & Sakana" Competition	108
Nissui Pioneer Exhibition	113
Initiatives for Fisheries and Marine Businesses	114
Initiatives for Popularizing Fish Consumption	116
Initiatives for End Hunger	117
Factory Tour and Workplace Experience	119
Sports Support	122
Regional Contribution Activities	124
Other Activities	129







## Approach to and Systems to Ensure Safety and Security

Since its founding, Nissui has been utilizing its unique technology to turn the bounty of the sea into valuable products and to deliver them to its customers. Over the years, what has remained constant is our commitment to "food safety and security." We wish to treasure the "delicious taste" and "freshness" of materials, provide individual consumer with safe and high-quality products and thus helping them to develop healthy, rich eating life style. To gain consumers' confidence and empathy, every member of Nissui's staff will perform his or her duty to maintain product quality and will make every effort to obtain consumers' satisfaction.

### Quality Assurance Code

The Nissui Group Quality Assurance Code, based on the concept of quality assurance, sets out quality policies and action guidelines under which the criteria related to quality assurance are regulated, so that all executives and employees take action supporting the same concepts.

Quality Assurance Code 🜖

### Quality Assurance Systems

In order to produce products to the customers' satisfaction, quality assurance systems are in place, including the Customer Service Center, Quality Assurance Department and Food Safety Research Department, which have been established as part of the QA (Quality Assurance) Group.

Quality Assurance Systems 🗦

## O International Standards Certification for Food Safety Management Systems

#### Acquisition of FSSC 22000 Certification

The Nissui Group holds FSSC 22000 food safety system certification for plants directly managed by the Marine Products, Food Products, and Fine Chemicals Businesses. FSSC 22000 certification is based on adherence to a systematic HACCP (Hazard Analysis and Critical Control Points) approach, and covers a broad range of requirements for food safety. We will continue to acquire management system certifications like FSSC 22000 for our manufacturing bases in future, and will strengthen our quality assurance capabilities.

Status of FSSC 22000 certification

	Number of certified business sites		
Business sites in Japan	17		

As of March 2020

Scope: Nippon Suisan Kaisha, Ltd. (Nissui) and the group-companies in Japan

## **Initiatives to Ensure Safety and Security**

Based on the philosophy and policies of quality assurance, Nissui and the Group companies are engaged in all manner of initiatives to deliver tasty, safe and secure products. Our commitment is indispensable in providing "quality" that satisfies our customers.

## (1) Employee Training

Nissui conducts various types of education and training so that all employees, as members of a food manufacturer, become aware of their roles to be fulfilled toward quality and become capable of acting based on a higher level of knowledge.

## Training Sponsored by the Quality Assurance Department

The Quality Assurance Department conducts periodic training so that employees who handle products can accurately acquire the required knowledge. The content of the training is reviewed each year and efforts are made to always share the latest information. Marketing staff, as well as employees working in the plants, undergo quality training.

Name of the seminar	Basic Quality Assurance Seminar	Details of the training seminar	Duration of the training seminar	Frequency	Participants in FY2017	Participants in FY2018	Participants in FY2019
Seminar on Certification Standards of Nissui Plants	Persons in charge at the plants; mainly employees who have been with Nissui for 10 years or less	General basic knowledge for employees working at the production plant (E.g. general hygiene control, in- house quality control standards)	1 day	Once a year	62	44	30
HACCP Seminar	Employees engaged in HACCP system operations at the plants (E.g. general hygiene control, in- house quality control standards)	Seminar based mainly on acquiring knowledge on the HACCP system and the general hygiene control program which is the base of the HACCP system, and experiencing the HACCP method through hazard analysis drills conducted in groups	1.5 days	Twice a year	45	66	44

Name of the seminar	Basic Quality Assurance Seminar	Details of the training seminar	Duration of the training seminar	Frequency	Participants in FY2017	Participants in FY2018	Participants in FY2019
Seminar on Certification Standards of Nissui Plants	Persons in charge of quality control, operational managers and chief of engineer at the plants	Understanding and practice of the purpose and concept behind the certification standards of Nissui plants, and the specific details of the standards	1 day	Once a year	48	37	20
Quality Seminar for Marketing Staff	Marketing staff	Awareness-raising education on food labeling in order to prevent the recurrence of the inappropriate labeling incidents of the past; the latest trends in food administration and quality assurance; and key points in dealing with complaints	1.5 hours	Once a year	250	Not held	450





Scenes from the Seminars

# O Training at the Plants

Plant workers who actually come into contact with the products and support manufacturing receive a training that is more in line with the production site. Even new employees on their first day of work have the duty to maintain quality. There is no room for compromise. Such a production site is created by the concerted efforts of all employees.

### New Employee Training

This basic seminar is attended by all employees assigned to work at the plant. They learn the basics which are required of employees who are responsible for maintaining quality including appropriate clothing, rules for entering the plant, hand-washing, etc., not to mention labor safety.





### ■ Matters Relating to Quality Communicated at the Sites

The plants operate every day and produce numerous products. Employees at the sites, when they come to work, always receive communications on quality-related topics and precautions from their site leader. Nissui ensures that such matters are communicated to all employees at the production sites which operate every day.



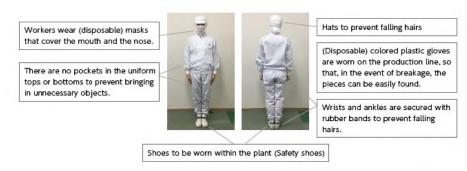


# (2) Quality Control

The factory sites receive raw materials and manufacture products. The quality of the products to be delivered to customers are created at strictly-controlled production sites.

# Employee Clothing

All employees change into the prescribed work uniforms before entering the production sites. These work uniforms also play a part in maintaining quality.



# O Rules on Entering the Plant

There are rules that must be followed when entering the plant. These rules must be followed even when the worker is in a hurry.

#### Health Check Chart

The health of the worker is checked every day. Does the worker have a fever? Does the worker have diarrhea? Is there a cut on the hand? And so on. The worker must check multiple items before entering. The plant cannot have product contamination by even one worker who is ill. To maintain one's health every day is also another important mission of a worker who works at the plant.



#### Hair Roller

Hairs stuck to the work uniform are removed using a sticky roller.

There are also rules for using the roller. The rules are illustrated so that foreign workers who do not speak Japanese will also understand. Additionally, each worker checks the mirror to confirm that the uniform is not disheveled and that no hairs are sticking out of the hat.





# **│** Hand-Washing

There are also rules for washing their hands, which is important for workers handling food. Workers wash their hands according to a timer which has been set to a designated time. These rules are also illustrated with photos so that they are easily understood.



# Objects Which May Be Brought into the Plant

Workers basically enter the plant without bringing anything in. However, there are certain things which are required in the course of operations, such as when records or photos must be taken, that are allowed on site. All objects must be made of metal to prevent fragments from entering the product, in the unlikely event that the object breaks.

(Note): As all products go through a metal detector in the final process, any metal contaminant will be found.

# O Checking System

Various checks are carried out in the plant. Several dozen items are checked in the process of making a single product, including the type of raw materials, the weight, the composition, the order, the time, the heating temperature, the cooling temperature, the print on the wrapping, the condition of the machine, etc. All of these items are double-checked, including person-to-person checking and machine-to-person checking. Furthermore, subsequent checks of the records are made by the administrator.

Errors will inevitably occur if checks are conducted by a single person. Machinery may also malfunction if we depend solely on machines. We have a system in place in which checks are always conducted by several different eyes at every stage, in the case of emergencies.

### O Food Defense

As many employees work in vast spaces within the plant, early detection of "anything out of the ordinary" is essential. To this end, cameras have been set within the plant to guard the employees so they can work properly.

Furthermore, storage areas for detergents used in washing and drugs used in testing are strictly kept under lock and key and only a few people are allowed the use of the key. In such cases, also, records of opening and closing the locks are taken.

Moreover, a number of production plants have vein authentication and fingerprint authentication management systems to monitor who came into the plant and at what time. More of the domestic plants of the Nissui Group will adopt this system down the road.



# (3) Inspections

Nissui only uses raw materials that have been confirmed for safety in manufacturing its products. It also conducts inspections at each stage from raw materials to the finished product to confirm that it conforms to the standards. These inspections encompass a wide variety of items and inspection methods, and require specialized knowledge and technology. Therefore, in order that inspectors are always able to carry out proper inspections, Nissui promotes "Excellent Lab" program, a system that allows inspectors to acquire the necessary knowledge and inspection skills.

### O Excellent Lab

The Nissui Group production plants nationwide all have inspection offices. Excellent Lab program is carried out mainly by the Food Safety Research Department in order to enhance the reliability of the inspection offices. Through standardized inspection manuals, the setting of facility standards, skill certification of the inspectors, precision control tests, and level-specific seminars, we are raising the level of the entire Excellent Lab. Excellent Lab program has also been introduced at certain overseas plants including China, as well as Japan.

### Inspection Manual

The contents of the manuals are periodically revised and the manuals are distributed to each inspection office always in their latest updated state. To ensure that inspections are conducted at all inspection offices with the same level of accuracy, we specify the culture media and reagents used in cultures and the culture medium is a dedicated medium for the Excellent Lab. This medium is packaged in single-use packets eliminating the need for measuring as well as preventing errors on the part of inspectors and saving time.





# Certification of the Inspectors' Skills

To ensure that inspections are carried out by inspectors with a certain level of knowledge and skills, inspectors are registered and the skills of each inspector undergo certification. When employees are first assigned to the inspection offices, they receive instruction under the inspection office's OJT program. After the employee becomes capable of carrying out most inspections on his or her own, he or she is certified as an A-level Inspector. Proficient inspectors who have acquired a certain level of experience are certified as M-level Inspectors and inspectors capable of carrying out even higher-level tests are certified as E-level Inspectors. Inspectors must undergo written and skill tests to be promoted to the next level of inspector. Seminars for M-level Inspector certification (3 times a year) and seminars for E-level Inspector certification (Once every two years) are held to provide inspectors with the opportunity to upgrade their skills through lectures and lab work.



#### Number of Inspectors by Level

	A-level Inspector	M (Master)-level Inspector	E (Excellent)-level Inspector	
Definition	Capable of carrying out designated tests	Capable of providing instructions to inspectors aiming to become A-level Inspectors	Capable of carrying out tests of a high degree of difficulty, and is proficient in all required tests	
As of March 31, 2017 (Number of inspectors)	46	32	30	
As of March 31, 2018 (Number of inspectors)	32	49	26	
As of March 31, 2019 (Number of inspectors)	36	53	25	

# Communications Between Inspectors

The Excellent Lab emphasizes communications between the inspectors through various exchange events and the exchange of information. Inspectors periodically gather at venues around the nation and hold Excellent Lab Promotion Meetings. They coordinate testing methods and judgment criteria, conduct mutual tours of inspection offices and exchange opinions, thereby upgrading their skills and sharing ideas.





#### Precision Control Tests

In order to confirm the testing precision of the inspection offices, precision control tests are conducted once a year. Each inspection office individually tests the specimens distributed by the Food Safety Research Department and sends back the test results to the Food Safety Research Department. The data on test results sent in from the inspectors nationwide are statistically analyzed and fed back to the inspectors. The tests are useful in confirming the ongoing workmanship of the inspection offices and improving the test procedures.

# | Overseas Development

The overseas plants that manufacture the products imported into Japan are also upgrading the abilities of their inspection offices using similar systems. In China, Qingdao Nissui Food Research and Development Co., Ltd. and in Thailand, the Quality Control Section Thailand of the Quality Assurance Department are leading efforts to provide testing instructions to local plants.

# (4) Communication

We stress the importance of listening to the candid comments of the customers, and also believe that providing accurate information to customers is essential. We aim to create superior products based on the voices of the customers in order to enhance customer satisfaction.

# System for Listening to Customer Comments

The Nissui Customer Services Center is where we can speak directly with the customers who have purchased our products. Currently, we receive comments by phone and via email. We not only receive complaints but also questions, confirmations and commendations. Whatever its content, each comment is a valuable piece of information for us.

Nissui Customer Services Center (Phone number): 0120-837-241

# O Product Development Based on the Voices of the Customers

The "Customer Satisfaction Improvement Subcommittee" is held six times a year to share the comments provided by the customers. There are many cases in which product specifications were changed as a result of the discussions by the subcommittee. We value the perspectives that are unique to the general customer and utilize such perspectives in creating superior products.

# • Labeling to Convey Information

We communicate product information to customers using the product packages. It is focused on providing product information using easy-to-see and easy-to-understand packages.

Particular caution is practiced in the labeling of food allergens. In addition to the collective label listing all raw materials, we clearly label in large print the 27 food allergens including those food allergens which are under recommended labeling.

Additionally, We do not use eggs in its sh sausages and sh paste products. In order for customers with egg-allergies to consume these products with a peace of mind, we communicate this fact by labeling the packages with the "EGG FREE" mark.



# Research and Development to Enrich Lives

# O Technology for a Tasty Way to Cut Back on Salt

As society ages, it has become more important than ever to prolong one's healthy life-span, i.e. the period in which one is able to live in a healthy condition. Salt (sodium chloride) not only is an essential nutrient for man but also plays an indispensable role in making foods and beverages "tasty." However, when consumed in excess, it can lead to a host of illnesses including high blood pressure.

This is the reason why Nissui came up with its unique technology to boost the taste of salt. Previously, reducing the salt used in foods and beverages had the effect of compromising the taste. However, with this technology, ingredients that boost the taste of salt are added and as a result, the taste of salt can be fully enjoyed even when the amount used is reduced. It is a technology that allows for the taste of salt to be enjoyed while cutting back on the salt content.

Taste Research for a Better-tasting, Healthier Daily Diet >

#### O Research of the Functions of White Fish

Since 2009, Nissui has been taking part in the Cabinet Office's Cross-ministerial Strategic Innovation Promotion Program as a cooperating company and conducting research on the functions of white fish. Research has proven that the protein in Alaska pollock has numerous benefits.

In March 2018, Nissui launched the Alaska Pollock Protein Society, establishing a research framework comprising 12 universities and research institutes, and has been engaged in joint research. Nissui presented the results of five research projects of this Society at the Japanese Society for Amino Acid Sciences held in October 2019.

Related press release (in Japanese) >

# On the Muscle Augmentation Effects of Alaska pollock Protein

In human clinical trials with women of 65 or older, who are said to lose on average 1.0 to 2.0% of fat-free mass (an index for muscle mass, represents total mass including organs and muscle) a year, as test subjects, by consuming the protein of Alaska pollock every day and leading a normal life without exercising, an increase in fat-free mass was confirmed after consumption of the protein, indicating an increase in muscle.

Muscle Augmentation Effects of Alaska pollock Protein >

# O Research into the Effects of EPA on Exercise

Nissui has been engaged in the research, dissemination and awareness-raising of EPA (eicosapentaenoic acid) by focusing on its effects on exercise, including enhancing endurance. At the National Dieticians Conference (sponsored by the Japan Dietetic Association) held in August 2017, Nissui explained the mechanism in which EPA raises the efficiency of oxygen delivery to the body. Furthermore, beginning with the sponsorship of the Japan Masters Swimming Association in 2013, Nissui has been developing the "SPORTS EPA" brand which supports athletes.



SPORTS EPA (in Japanese)

# **Diversity**



We aspire to be a great company where people from various backgrounds can be actively involved.

Akiyo Matono Representative Board Member, President & CEO

( ) Mator

Japan faces population decline and, as such, worsening labor shortages in the future cannot be avoided. Furthermore, although women make up half of the population, as it currently stands, female employees do not come close to making up half of our workforce, an issue that I believe needs remedying. When I worked in North America, having female directors for the group companies was considered par for the course, and I remember being surprised by that at the time. In comparison, the number of women actively involved in management at Nissui is still very low.

Those companies that have large numbers of highly talented personnel taking an active part are also those that have created policies and environments that make it easier for women to work. At Nissui, we are still failing to provide a place where women are sufficiently involved. In other words, we're stuck in a rut in terms of using and increasing the participation of our human resources.

Now, however, we are aware of the problem and if we can change, I think awareness of Nissui as a company that welcomes diversity, where female employees are better able to play leading roles, will spread. If we can do that, we will be able to gather together even more gifted individuals, regardless of gender.

Diversity is an important management issue for any company. While "diversity" is comprised of many elements, the first step for us at Nissui is to place a priority on female participation, and aspire to be a great company where people from various backgrounds can be actively involved.

Training is another key issue for us. We will train those employees who enter the company, whether male or female, equally. Limiting the type of work someone does because of their gender is a form of discrimination. While there may sometimes be cases where gender should be taken into consideration, such as where an employee is assigned or dispatched, or the nature of their duties, that should not rob them of any opportunities.

As an employee, workers should know what it is like to stand on the front lines, as it were, and their perspective will be broadened by experiencing a range of job roles. Whatever their academic background or specialism, it is how they are trained after they join the company and how they adapt that has the biggest effect on the capabilities they come to show. In that, there is no difference whatsoever between men and women.

Our company provides products and services that are needed by society, and the profit we earn is a resource we can use to train people. With that, we will create an atmosphere where diverse human resources can play an important role. I would like us to create this kind of virtuous circle, where the talented individuals we gather together under our banner lead to greater profit, and vice versa.

# Work Style Reform

#### O Work-Life Balance Lecture

On March 12, 2019, a lecture was given by Yoshie Komuro, President of Work-Life Balance Co., Ltd., and 17 of the Company's executives attended. Titled, "Work Style Reforms as Management Strategy," Ms. Komuro, explained the changes in society which had occurred from the past to the present and the real reason why work style reforms were necessary. Ms. Komuro talked about how work-life balance was necessary for all employees as well as women and explained that work and life were not in a relationship that took away each other's time but in a relationship of synergy.





#### • "Kurumin" Mark Certification

#### Initiatives Toward Work-Life Balance

Nissui is promoting initiatives so that everyone working at the Company can strike a balance between "work" and "life," and can feel rewarded and fulfilled both in "work" and "life."

Pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children, which aims to create an environment that will enable the healthy birth and growth of children who are to become the next generation society leaders, the Company carried out its First Phase Action Plan (July 1, 2005 to March 31, 2010) and was awarded the "Kurumin" mark certification by the Minister of Health, Labour and Welfare as a childcare supporting company in May 2010. Subsequently, it was awarded the "Kurumin" mark certification in June 2013 for the implementation of its Second Phase Action Plan (September 1, 2010 to March 31, 2013) and once again in July 2017 for implementing its Third Phase Action Plan (April 1, 2013 to March 28, 2017).

Currently, Nissui is in the midst of initiatives to achieve the Fourth Phase Action Plan (April 1, 2017 to March 31, 2021).



### | Major Details of Past Action Plans

#### First Phase July 1, 2005 to March 31, 2010

- Achieved childcare leave taking by at least one male employee and a rate of 80% or higher for female employees taking childcare leave
- Introduced the shortened-workday system which could be utilized by employees with children who were younger than primary school age.
- Established and carried out "no overtime day."

#### Second Phase September 1, 2010 to March 31, 2013

- Achieved childcare leave taking by at least two male employees and a rate of 80% or higher rate for female employees taking childcare leave.
- Established an inhouse consultation counter on childcare (including nursing care) leave.
- For employees who were taking childcare (including nursing care) leave, maintained a close connection with the Company by sending company information via emails and other means, while at the same time supporting and facilitating their return to work.
- Promoted the taking of annual paid leave and raised the rate of annual leave taking by 8% compared to fiscal 2009.

#### Third Phase April 1, 2013 to March 28, 2017

- Achieved leave of absence- or vacation-taking for childcare by at least three male employees and a rate of 85% or higher rate for female employees taking childcare leave.
- Reinforced the guidance on the correspondence education programs for employees on childcare leave and encouraged upgrading their skills using their time while on leave.
- Established systems such as those using the Internet to keep the channels of communication open with those employees on leave.

#### Fourth Phase Action Plan

By supporting employees strike a balance between work and family and creating a pleasant working environment, Nissui hopes that employees will be able to demonstrate their full potential and to this end has formulated the following action plan.

#### 1. Plan period

4-year period from April 1, 2017 to March 31, 2021

#### 2. Details

Objective 1	Raise the rate of employees taking leave for childcare during the plan period to the following levels. (1) Male employees: Leave-taking rate of 7% or higher during the plan period (2) Female employees: Leave-taking rate of 90% or higher during the plan period
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#### [Measures]

Fiscal 2017 By treating the first five days of childcare leave as paid leave, make it easier for male employees to take childcare leave, aim at raising the leave-taking rate and disseminate company-wide the importance of taking childcare leave.

Objective 2	Expand the scope of "Leave for taking care of sick children" and improve support for balancing work and family for employees who are raising children.
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#### [Measures]

Fiscal 2018 Expand the age of children subject to leave for taking care of sick children from the current "Children prior to entering primary school (Statutory)" to "Children who are in primary school" and provide a safety net for times of crisis.

# Promoting the Taking of Childcare Leave

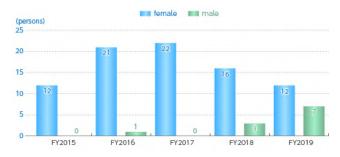
During the 4-year period from April 1, 2017 to March 31, 2021, the target rate for taking leave for childcare has been set at:

(i) Female employees: 90% or higher

(ii) Male employees: 7% or higher

Additionally, in order to support the child rearing of male employees, the first five days of childcare leave will be treated as paid leave.

#### Number of Employees Taking Childcare Leave



As of March 2020

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

# O Supporting the Balance of Nursing Care and Work

Nissui has a nursing care leave program, in which 10 days of leave per year is allowed to employees with one person in their care, and 20 days per year for employees with two persons or more in their care. Nissui holds nursing care seminar semi-annually and has established specialist consultation counters where employees can receive consultation free of charge via phone and email by contracting with agencies specializing in nursing care.

# Adoption of the Teleworking System

Nissui has been considering the teleworking system, as a way of enabling work styles that are not restricted by time and place through the utilization of IT and telecommunications technology. A trial run was conducted from October 2017 through fiscal 2018, and Nissui decided to adopt this system from fiscal 2019, as it became evident that by combining regular commuting work with working at home and remote work, the efficiency of operations and the improvement of the worklife balance could be achieved.

Teleworking was carried out simultaneously at Nissui's head office in September 2019, and since then, widespread acceptance of the system and further work reform has continued to be promoted.

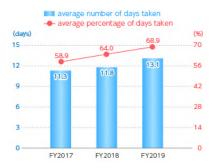


Teleworking Carried Out Simultaneously at Nissui's Head Office

# O Promoting the Taking of Paid Leave

As part of efforts to create a comfortable and rewarding work environment, Nissui is implementing initiatives for the systematic taking of paid leave and promoting improvement in employee health. Individuals prepare their own plans for taking annual leave, which enables the sharing of leave taking within each department, facilitates advance adjustment of the work load and assists in managing the progress of leave taking.

#### Number of Days of Paid Leave Taken



As of March 2020

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

# Adoption of "Anshin" Leave (Short-term Paid Leave for Non-occupational Injuries and Diseases)

Starting from fiscal 2019, Nissui has adopted "Anshin" leave, a new personal sickness leave system where, if the need arises, employees can take paid leave not for the reason of refreshment. If an employee is injured or afflicted with an illness (including short-term illnesses such as colds) and cannot come to work, he or she may take up to five days of leave each year. This leave system was adopted in conjunction with efforts to further increase the ratio of leave-taking by employees, as the taking of paid leave of 5 days or more has become mandatory, and in response to employees requesting "to keep unused days of annual paid leave in case they must call in sick due to a sudden illness." Nissui hopes to encourage its employees to take paid leave more proactively by improving its leave system.

# Women's Empowerment

# Action Plan for Female Participation

Nissui formulated and announced the Second Phase Action Plan in April 2019 to create an employment environment where female employees can take an active part.

Nissui's Action Plan submitted to the Ministry of Health, Labour and Welfare 🕞



### | Major Details of Action Plans

First Phase April 1, 2016 to March 31, 2019 (Base year: FY2015)

- Target: Women will account for 30% or more of recruits.
  - Result: 29%(FY2018)
- Target: Increase the number of women working in the marketing and production divisions by 15% or more.
- Result: The target was achieved through an increase of 39%.(FY2018)
- Target: Increase female managers in the departments 1.5-fold.
  - Result: The target was achieved through an increase of 1.5-fold.(FY2018)

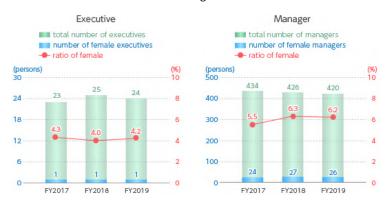
#### Second Phase April 1, 2019 to March 31, 2022 (Base year: FY2018)

- Target: Women will account for 30% or more of new recruits.
- Target: Increase the number of women working in the sales and production divisions by 20% or more.
- Target: Increase female managers by 15% or more.

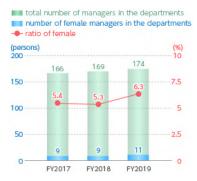
# O Trends in the Promotion of Female Employees

During the period from April 2019 to March 2022, Nissui aims to increase the number of female managers by 15% or more compared to fiscal year 2018.

#### Ratio of Female Executives and Managers



#### Ratio of Female Managers in the Departments



As of March 2020

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

# O Conducted a Gender Diversity Awareness Survey

In fiscal 2017, a survey was conducted over the Intranet on all, approximately 1,200 employees, regarding the gender gap, career orientation and the gap in awareness between managers and employees, among others to identify issues.

With regard to items identified as issues in this survey, the Diversity and Personnel Development Subcommittee monitors the progress of activities toward improvement and efforts are being made to improve the corporate culture.

# Exchange of Opinions on Diversity

On December 13, 2018, an exchange of opinions was held between Takayuki Kawashima, Director of the NPO, Fathering Japan and the CEO of Kodikara Nippon, and five of the Company's executives.

Nissui was able to confirm the current situation in which there was an increasing number of companies, regardless of industry and business category, promoting work style reforms, women empowerment, the correction of long working hours and work-life balance. In such circumstances, an exchange of opinions was conducted on the situation of the Company and its problems. Opinions expressed included, "Reforms in the attitudes of male managers that have hardened like clay and commitments to the reforms will be required" and "Superiors require the management capabilities to manage employees working under constraints."





# O Conducted "Female Employee Career Development Seminar" for Superiors

In the process of career formation of female employees, Nissui conducts seminars intended for superiors to learn management skills that will assist female employees in increasing their advancement.

In fiscal 2018, 38 managers participated and comments by participant included, "It was an opportunity to reflect on my own management and think about the career formation of female subordinates," and "The key management points for the career development of female subordinates were outlined in an easy-to-understand way."



# O Held "Female Sales Staff Workshop"

The First Female Sales Staff Workshop was held for female employees who work in the sales divisions. The workshop aimed to further encourage the advancement of women in the sales divisions was held in July and September 2019 with 12 women who are in charge of sales on a national level and three division chiefs who have female sales staff on their teams.

At the workshop, the participants envisioned how they would be in five years and in ten years and identified issues, as well as discussing the ideas required to realize such vision and making recommendations to Nissui.

Going forward, in response to these recommendations, we intend to identify issues that need to be addressed as an organization, set goals and deliberate measures for the achievement of these goals.



# O Held "Career Design Seminar" for Female Employees

On November 6, 2019, a "Career Design Seminar" was held for 5- to 9-year female employees. It began by sharing the goals of the seminar, and the following program was carried out, which included many group discussions.

- 1. What does "career" mean?
- 2. What does "career development" mean to us?
- 3. Approach to self-directed career development
- 4. Deepening self-knowledge
- 5. Looking toward the future
- 6. Stories of senior employees
- 7. Toward a career vision



In "Stories of senior employees," external (industry peers) role models were invited to give talks. Participants were inspired by getting to know the views on careers held by same-generation peers and were encouraged to address career design in a positive way, as indicated by comments such as, "I had been feeling a vague sense of uncertainty but I was given a hint about my future career from the seminar" and "It has raised my motivation toward my job."

# O Support of Striking a Balance Between Child-raising and Work

Currently, nearly 100% of the employees have returned to work after taking childcare leave. In such a work environment, Nissui has been organizing return-to-work career interviews between employees and their superiors, using the "Interview Sheets for Employees Returning to Work from Maternity and Childcare Leave," in an effort to facilitate the resumption of their careers immediately after returning to work and during the period from six months to a year after returning to work. In fiscal 2019, a trial run was conducted targeting employees returning to work in and after April. Nissui's ongoing support for returning to work and resuming careers has been received favorably and the system is scheduled to be officially adopted from March 2020.

# Employment of Seniors, People with Disabilities, and Foreign Nationals

# Initiatives to Hire People with Disabilities

Under the concept of normalization, Nissui is engaged in initiatives to realize a working environment in which all employees regardless of whether they have or do not have disabilities work together and demonstrate their capabilities. Currently, employees with various "physical," "intellectual" and "mental" disabilities are taking active part in each work place. Employees with Psychiatric Social Worker qualifications have been assigned to the Human Resources Department, creating an environment in which people with disabilities can work with a peace of mind.

The plants directly operated by Nissui accept students from the local special needs schools for work experience. The program offers students hands-on experience of the joys and rigors of working and subsequently allows them to build an image of what it is like to work. Some participants became interested in Nissui and have actually joined us.

Additionally, Nissui holds periodic seminars for its employees to deepen their understanding of people with disabilities, aiming to create a "pleasant and inclusive working environment."

#### Trends-in-the-Employment-of-People-with-Disabilities



The statutory employment rate was changed to 2.2% from April 2018.

As of March 2020

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

# Senior Employee System

Amid the growing demand for stable employment opportunities for the elderly, Nissui is re-employing employees who are willing to work at Nissui after retirement. Their responsibilities are reviewed at the time of rehiring and at contract renewal by taking into account the skills, aptitude and work experience, among others, and commensurate compensation is also arranged.

Nissui continues to provide an environment where senior citizens with experience and superior skills acquired over the years play an active part.

# O Initiative to Hire Foreign Nationals

### | Multi-Language Support of Bulletins

Employees who speak various languages including Spanish work at the Hachioji General Plant, which manufactures foods. Bulletins in a number of languages, mainly English, Spanish, Portuguese and Chinese are prepared and an environment is in place that facilitates work and other aspects of life.

### Labor Safety Training and Disaster Prevention Manuals for Foreign Employees

Twice a year at the Hachioji General Plant, outside interpreters are hired and special safety seminars are held including labor safety training and disaster prevention training in three languages (including English, Spanish and Portuguese). The seminars are held during the employees' working hours, for a period of 3 days, 4 to 5 times each day. For a relatively small number of employees who speak languages that are not covered by these seminars, original materials are prepared.

Additionally, disaster prevention manuals are outsourced to translation companies and prepared in multiple languages for foreign employees. The plant prepares its employees for any number of emergencies that could happen in the future by describing the basic actions to be taken in the event of earthquakes and other natural disasters.



accommongradic mental production of the control of

Disaster Prevention Manual in Japanese

Disaster Prevention Manual in Myanmar

# **Training and Development**

# Human Resources Development Measures

Based on the concept of "Independence and Autonomy," which is at the core of Nissui's human resources system, we provide human resources development measures to support each employee in drawing up and realizing his or her career plan.

		raining by ployee level	Career training	Correspondence courses	Diversity training	Training by job type
Manager level and above	Training for managers		Training to design one's career is provided for	To support personal development,	Workshops and training from various perspectives are provided	◆Marketing planning, sales, and logistics group
General employees	to acqu	g is conducted aire roles/skills d at each level	various age groups in order for employees to review their careers at various	various seminars are provided so that employees can think about and choose what they are lacking or what they should acquire.	to establish a work environment and culture, in which employees mutually respect diversity and maximize their potential.	◆R&D group  ◆Production, QA and technology group  ◆Corporate administration group
	Until the third year	Third-year training Second-year training New employee training	milestones from joining the company to retirement.			

# O Cooperation with NPO *Oyaji* Nippon

Since 2017, Nissui has been cooperating with the *Mirai* (Future) Class offered by the NPO, *Oyaji* Nippon (Note). *Mirai* Class offers classes on "Career Education," in which speakers lecture on what it means to work and the goals of working from the perspective of a corporate person, at the elementary and junior high schools in Tokyo. Each employee talks about Nissui's unique operations and what he/she has learned from his/her experiences. By communicating those stories in his/her own words to the children, each employee is helping the children to mentally prepare to become working persons in the future.

(Note) NPO *Oyaji* Nippon: An organization that supports the *Oyaji-no-kai* (middle-aged/elderly men's associations) around the country and carries out activities that contribute to the sound growth of children.





# O Head Office Take Your Children to Work Day

Nissui holds take-your-children-to work-days so that children can get to know their parents' workplace and to instill in them an awareness of the importance of the sea.

At the first Take Your Children to Work Day, held on July 26, 2019, at Nissui's Head Office, children deepened their understanding of Nissui by first receiving an explanation on the businesses of the Nissui Group from the President, visiting the workplace and getting job experience, including exchanging business cards and photo-copying documents. Additionally, through the workshop on the theme of marine pollution by Japan GEMS Center, the children thought about the importance and the difficulties of protecting the marine environment. The parents also participated in the workshop.

Comments by the employees' children include "I was glad I was able to visit the company" and "I will try not to pollute the ocean." The activities promoted exchanges among the employees and increased the awareness toward the environment, as evidenced by the employees comments, including "I was able to have an exchange with other departments" and "It made me think about the environment in a new light."





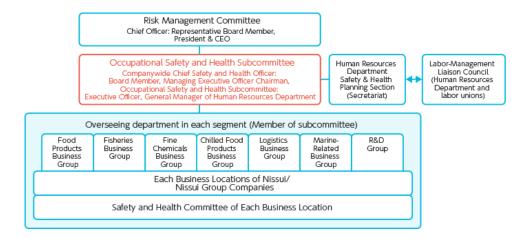




# **Labor Safety**

# O Labor Safety and Health Management Framework

The Nissui Group has designated departments in each segment to oversee the Safety and Health Committees of each business location and established the "Occupational Safety and Health Subcommittee," with the heads of each overseeing department as members. The subcommittee is held once each quarter and addresses various issues relating to health, safety and labor matters of Nissui, including its Group companies.



# O Preventing Harassment

#### Code of Ethics Awareness

The Guidelines of Ethical Conduct set out in Nissui's <u>Code of Ethics</u> states "respect our frank and openhearted communication environment and make an effort to maintain a sound and effective system of internal checks and balances," and to respect fundamental human rights of individuals as well as prohibit all forms of discrimination and harassment. This Code of Ethics is laid out in <u>the Nissui Principles</u> and distributed to employees to ensure that awareness regarding harassment prevention is raised.

# Measures Against Harassment

In order to prevent incidents of harassment, harassment study groups (seminars, E-learning, and similar) are being conducted.

A Harassment Desk has also been set up for employees to consult, and a structure to handle any problems has been established.

# Message Delivered by the President

On June 1, 2020, legislation to prevent power harassment (Act on Comprehensive Promotion of Labor Policies) was amended and put into effect. The President sent out a message to all employees within the Nissui Group in Japan, actively calling again for the abolition of harassment in the workplace.

The Nissui Group will continue to carry out various measures to prevent harassment and aim for each employee to be able to make the most of their abilities.

# Initiatives for Labor Safety

The Nissui Group has established the Occupational Safety and Health Subcommittee and manages "labor safety," "work hours" and "harassment" by division.

In fiscal 2017, activities were carried out based on the following policies

- (i) Standardize safety activities;
- (ii) Define the structures that are to conduct risk assessments; and
- (iii) Prevent disasters caused by falling.

In the Mid-Term Business Plan for 2018 to 2020, Nissui expresses the message of "aiming to create a safe and comfortable work environment in which each employee will be able to demonstrate his or her capabilities in a healthy way, fulfill the role assigned to him or her and work energetically.

In the second year, 2019, Nissui took initiatives for:

- (i) Information sharing among companies and businesses as well as deepening of exchanges (support for managerial position employees to become better skilled through strengthed cooperations within the Nissui Group)
- (ii) Promotion of further invigorating work for workplace safety activities (strengthen safety management in aquaculture companies and establish a framework to evaluate as well as award to superior examples of initiatives)

Additionally, at Nissui's food production plants safety training programs called "Safety School" are being carried out using machines that allows participants to experience what it feels like to be entangled in conveyor belts and machines to experience confirmation by finger pointing and calling out, to raise the safety awareness of its employees.

Labor safety training for foreign employees is here >





# **Employee Health**

As part of the initiatives for employee health, Nissui recognizes the maintenance and promotion of health as a management issue and announced the Employee Health Declaration on February 23, 2017. Based on this declaration, various initiatives are carried out so that employees and their families can live healthy and energetic lives.

# 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.

# ■ Three Approaches to Develop an Environment Where Employees Are Healthy and Can Maximize Their Potential Leading to Increased Productivity

Supporting the balance between work and personal lives>

Major measures: Childcare and nursing care support, the employee benefits system, adoption of the cafeteria plan "N Café," etc.

< Promoting the health of individuals >

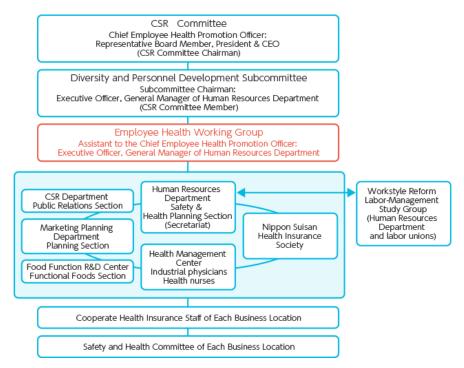
Major measures: Campaign to improve lifestyle habits, increase the ratio of EPA/AA, promoting no smoking and separation of smoking areas, mental health examination, etc.

<Providing a comfortable and rewarding workplace>

Major measures: Eliminating long working hours, promoting the taking of leave, adoption of the teleworking system, etc.

# Employee Health Promotion Framework

Recognizing the maintenance and promotion of employees' health to be a managerial key issue, Nissui has established the Promoting 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 health nurses), the corporate health insurance society and each department, and by coordinating with the cooperate health insurance staff of each business location, we are engaged in initiatives to ensure the health and work-life balance of its employees and to create a workplace culture that is pleasant and offers a fulfilling place to work.



# External Recognition

In 2020, Nissui was one of the enterprises selected under the 2020 Health and Productivity Stock Selections Program. It is the second consecutive year being acknowledged after being chosen as the first company in the agriculture, forestry, and fisheries industries to be selected for that in 2019.

Under the Health & Productivity Stock Selection program, basically one company from each industry is chosen from among the companies listed on the Tokyo Stock Exchange as a company focusing on employees' health from a management perspective and strategically carrying out efforts toward employee health. In 2019, Nissui was recognized for its initiatives aimed at the health of employees, which concentrated on two main pillars of its business, fish and EPA, and for encouraging employees to take sufficient leave days and optimize their number of work hours. In order to improve the productivity by putting in place a working environment in which diverse talent stay healthy and are able to demonstrate their capabilities, Nissui carried out measures to 1) promote the individual's health, 2) strike a balance between work and private lives and 3) create a pleasant and fulfilling place to work.

The Nissui press release (in Japanese) >

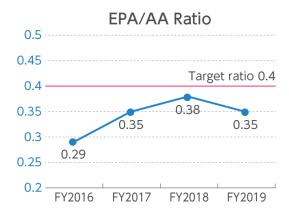




Award Plaque

# O Measurement of the EPA/AA Ratio and Health Ranking

As a preventive measure against lifestyle-related diseases, Nissui takes advantage of EPA (eicosapentaenoic acid), which is the core product of the Fine Chemicals Business, one of Nissui's main business. Regular physical examination starting FY2016 contain an exam for all employees to test the EPA/AA ratio, an indicator potentially signaling cardiovascular disease, with a target for a company-wide ratio average of 0.4. In FY 2019, the company-wide EPA/AA ratio average was 0.35.



Since FY2018, to encourage voluntary efforts among each of their employees to improve their diet, Nissui offers a health subsidy for those who reach an EPA/AA ratio of 1.0 or more. Each employee is notified of their measurement results, and data is tallied within thedepartments, which are then ranked in order and announced. High ranking departments are presented with original health rank badges that are awarded throughout the company.







Promoting EPA Intake at the Company Cafeteria

Health Ranking

# O Adoption of Employee Benefits System/Cafeteria Plan

As part of measures for "Employee health," Nissui has adopted "N Café," an employee benefits system/cafeteria plan.

Nissui proactively supports the employee's mental and physical health and is strengthening initiatives to promote health and prevent diseases, while helping employees strike a balance between work and childcare/nursing care.

Employees are awarded a certain number of points that can be used in employee benefits programs of their choosing through N Café. The programs focus on childcare, nursing care, and health and contain a wide range of services including personal development, asset formation and life support.



N Café character "Nanda'

# O Health Plus (+) Storage Campaign

Nissui has been conducting the "Health Plus (+) Storage Campaign" as an initiative to improve the lifestyle habits of its employees from fiscal 2018.

This campaign awards bonus points, which may be used in the employee benefits program, to employees who have achieved a given level in new positive (plus) activities in an effort to re-examine the daily lifestyle habits of each employee.

In fiscal 2019, the campaign was carried out during the period from May to July prior to the regular physical examination. 250 people (increase of 23 from the previous year) signed up for a total of 606, out of which 191 people achieved the standards.

# Overview of the Program

#### Applicable programs:

#### (i) All employees

Program	Achievement standards (3 months)
Walking & exercise program	60 days or more of walking 8,000 steps or exercising 30 minutes or more
Bounty of the sea program	60 days or more of either eating at least one fish-based meal a day or consuming 900mg of EPA+DHA per day
Dental health program	60 days or more of brushing teeth at least 3 times a day and also going to the dentist for a checkup or for treatment during the period

#### (ii) Employees to which the following apply

Applicable persons	Achievement standards (3 months)
Smokers	Stop smoking for the entire period
Persons who consume alcohol every day	Observe two days a week without consuming alcohol throughout the entire period
BMI≧25	Record weight three times a week and weigh 2 kg less after the program

# O Held "Health Seminar" by Sports Trainers

As part of initiatives for employee health, a "Health Seminar by Sports Trainers from RIZAP" for employees was held on May 29, 2019, at the Nissui Head Office. 63 Head Office employees participated. The seminar aimed to enhance the awareness of each employee to re-examine his or her health and the participants worked out with the goal of "I will start from tomorrow." The seminar invited trainers from RIZAP GROUP, Inc. to give a lecture and provide participants with work out experience. The lecturer spoke about the risk of lifestyle diseases caused by obesity and the secret to make appropriate meals and exercise a habit, and the participants learned how irregular hours contributed to obesity and the importance of exercise. Following the lecture, the participants experienced workouts using the RIZAP method which efficiently burns fat and to try stretching exercises which can be done during breaks from deskwork.



Classwork with the Lecturer



**Workout Experience** 

# O Healthy Boxed Lunches

Healthy boxed lunches were introduced at Nissui's head office starting in December 2019 on a trial-basis. It was a measure to address one of the company's health issues, a higher obesity rate than the national average, aiming to improve the diet and sodium intake of employees.

The healthy boxed lunches were given the "Smart Meal" seal program approval as a nutritionally balanced meal with healthy consideration given to quantity and sodium content. Due especially to the fact that the head office does not house a company cafeteria, the boxed lunches play a key role in employees' consuming healthy meals that are ideally balanced in nutrition. A lunch seminar was also conducted for employees in particular need to consider dietary improvements for their health, where they received guidance regarding nutritional balance and dietary habits by occupational health nurses. Comments received in post-seminar questionnaires included "it made me more mindful of choices" and "tasty options, I think I can keep this up."







Healthy Boxed Lunches



Lunch Seminar

# O Initiatives to Promote No Smoking

To prevent health problems from smoking and passive smoking, Nissui is promoting initiatives to support smokers to stop smoking and to separate the smoking areas at the business locations.

In terms of the promotion of no smoking to smokers, the President made a no-smoking declaration in January 2019 and nearly 30 employees followed suit by taking on the no-smoking challenge. As new initiatives for fiscal 2019, a special booth was installed at the regular physical examination site to strengthen no-smoking education activities, which included health nurses providing individual instruction to smokers, measuring the levels of carbon monoxide using smokerlyzers, and distributing samples of nicotine gum. Nissui also supports no smoking by covering half of the treatment costs of employees who have successfully quit smoking at the quit-smoking programs at hospitals.

As for promoting the separation of smoking areas, in 2018, the smoking areas of the head offices and branches were shut down, and smoking was banned in all company cars. The other business locations are also promoting the closing and reduction of smoking areas.



# Mental Health Support

Nissui is also making efforts to enhance mental health so that employees can engage in their work with a healthy mind. Once a year, Nissui conducts a mental health examination for its employees and based on the results, provides support through the Human Resources Department on an individual or department basis. Additionally, Nissui conducts harassment workshops (group seminars and e-learning) in order to prevent any incidents of harassment, as well as setting up a Harassment Desk, which serves as a contact point for consultations, as a system to deal with this problem.



An Interview with the Health Nurse

# O The "Imperial Palace Run & Walking" An Activity for the Mental and Physical Health of the Employees and Employee Interaction

Since 2018, the Nissui head office has been conducting the monthly "Imperial Palace Run" as a running activity around the areas surrounding the Imperial Palace. It takes about 10 minutes by foot to the Imperial Palace from the Nissui head office in Nishi-Shimbashi. At this event, running enthusiasts from the company and outside the company gather after work and enjoy running or walking the course around the Imperial Palace. Runners and walkers of all levels – from beginners to experts – can take part, all at a pace that is comfortable for them. Participants by wearing matching T-shirts displaying the "SPORTS EPA " (Note) logo and they can also feel solidarity as a team by encouraging each other as they run.



#### [Purpose of the activity]

- 1. Raising awareness of SPORTS EPA
- 2. Making a habit out of exercise (Raising awareness of the Company's Employee Health program)
- 3. Cross-sectional communication between the employees

On October 16, 2019, the "Let's get 50 members together and run around the Imperial Palace" project was planned, which aimed to gather 50 participants. In the end, 59 participants (including participants from outside the company) took part resulting in an achievement rate of 118%.

(Note) SPORTS EPA: Nissui's research of EPA focusing on its effect on sports, such as enhancing endurance, and activities to spread and raise the awareness of EPA.

# O Health Initiatives by Group Companies

### Good Health Without Belly (Nissui (Thailand) Co., Ltd.)

Thailand in recent years has seen an increasing trend in the number of overweight and obese people, due to westernized eating habits and the rise in income levels. Concerns over health have been rising as lifestyle-related diseases, including diabetes, have also become more prevalent in conjunction with this increase.

The Nissui Group company, Nissui (Thailand) Co., Ltd., is engaged in manufacturing, mainly in the processing of marine products. The company promoted the "Good Health Without Belly" project so that all employees could work while maintaining a state of health. The project, which targeted employees who tended to be overweight, started in April 2019 and aimed to have these employees lose weight by June. During the project period, nutritionists and nurses were invited and the employees received instruction on suitable weight-loss methods, effective physical exercise, and nutrition. Through this project, the participants acquired sensible weight-loss information and made efforts to achieve a healthy body.

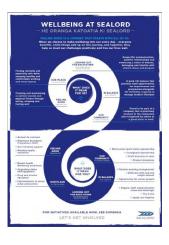


### Initiatives Toward Wellbeing (Sealord Group Ltd.)

"Wellbeing" is a concept that embraces the state of good mental and physical health of the company and the employees and has become the center of attention as a means to achieve increased productivity and to ensure psychological safety.

The Nissui Group company, Sealord Group Ltd., which is engaged in fishery and the sales of marine products in New Zealand, commenced wellbeing initiatives for its employees from February 2020. These initiatives were prompted by a company-wide staff engagement survey in 2017, which showed that wellbeing was a significant area of interest. Subsequently, in addition to consultation with people at different levels across the business, surveys and audits by outside specialist organizations were conducted, which resulted in the completion of the Sealord Wellbeing Model. The model focuses on the following five key pillars:

Looking Out For Each Other Our Place Feeling Good In Balance Our Community



The top part of the figure illustrates how important the employees are to the company, and the bottom part lists the current and future measures of Sealord. As a result of these measures, the company has implemented such initiatives as resilience training for employees, assistance focusing on the burden of the vessel crew, and nutritional advice workshops for factories. A wellbeing app for smartphones will also be rolled out to those who are interested.

# **CSR** Procurement

The Nissui Group has designated "Preserve the bountiful sea and promote the sustainable utilization of marine resources and their procurement" as one of the key issues of CSR, and aims to have the items that the Nissui Group procures confirmed as sustainable by the year 2030.

The preservation of resources and resolution of labor-related human rights issues is called for when using and procuring marine resources. We are working with our suppliers to implement sustainable procurement that maintains respect for human rights.

# Preparation of the Nissui Group Basic Procurement Policy

Nissui has formulated the Nissui Group Basic Procurement Policy by summarizing the basic approaches to the procurement of raw materials and products.

### Nissui Group Basic Procurement Policy

The Nissui Group declares that it will appreciate the bounty of the earth and sea, and create diverse value through following the company's "five genes", carried forward since its foundation, and will try to solve social issues through the business activities covered in our CSR Action Declaration.

Based on that, the Nissui group developed its Nissui Group Basic Procurement Policy in order to meet the expectations of stakeholders, and to contribute to society when purchasing raw materials and products.

The Nissui Group is promoting procurement through relationships built on trust, with suppliers who understand and cooperate with this policy.

#### (1) Procurement Policy

- 1. Suppliers and partners shall be selectively chosen, taking quality, cost, delivery timing, and service into consideration.
- 2. The Nissui Group shall be open to new supplier candidates.
- 3. Transactions shall be conducted with fair quality and price maintained by getting material safety data sheets and competitive quotes.
- 4. The Nissui Group shall promote cost reduction in a positive manner on the condition of safety assurances and quality improvement.

#### (2) Compliance, Procurement Ethics

- 1. The Nissui Group shall comply with laws and regulations of all relevant countries, including Japanese law and internal company rules.
- 2. The Nissui Group shall fulfill its contracts faithfully with suppliers and partners.
- 3. The Nissui Group shall understand the significance of information it obtains through transactions and preserve the confidentiality of such information.
- 4. The Nissui Group shall build relationships of trust with suppliers and partners through fair, open and transparent procedures.
- 5. Corrupt or dishonest behavior, including granting and/or receipt of inappropriate benefits, is entirely rejected by the Nissui Group.

#### (3) Awareness of Environmental Preservation

- 1. The Nissui Group shall promote purchasing of raw materials and products that take environmental preservation of the Earth and local regions into consideration.
- 2. The Nissui Group shall seek confirmation that the raw materials and products it purchases have been harvested or produced having regard to principles of sustainability, biodiversity and of preservation of ecosystems.
- 3. The Nissui Group shall purchase raw materials and products from suppliers that are conscious of cyclical usage of resources and energy.

#### (4) Respect for Human Rights

- 1. Suppliers are requested to provide raw materials and products that are not associated with forced labor, child labor or the inhuman treatment of employees.
- 2. The Nissui Group shall purchase raw materials and products provided by suppliers who ensure that their working environments respect employees' freedom of association and are free from discrimination.
- 3. The Nissui Group shall purchase raw materials and products produced in safe and clean work environments.

#### (5) Collaboration with Suppliers and Partners

- 1. The Nissui Group shall promote close collaboration with suppliers as important business partners.
- The Nissui Group shall ask suppliers and partners to acknowledge this policy and support and cooperate with the principles set out in this policy.
- 3. Various proposals by suppliers and partners are examined and seriously considered by the Nissui Group.

# O CSR Supplier Guideline

Nissui has formulated the CSR Supplier Guidelines in order to achieve sustainable procurement in cooperation with its suppliers and partners. These guidelines are divided into the seven major headings of "Legal Compliance, Procurement Ethics," "Consciousness of Environmental Preservation," "Respects for Human Rights," "Collaboration with Suppliers and Partners," "Ensuring Quality and Safety," "Information Security" and "Contribution to Society."

CSR Supplier Guideline (56.0KB)

# CSR Procurement Promotion System

Nissui, in accordance with the Nissui Group Basic Procurement Policy and CSR Supplier Guidelines, promotes CSR procurement based on a 3-point checking system, in an effort to eliminate human rights and environmental risks of the suppliers with which the Nissui Group deals.

# Self-Check Sheet of Nissui CSR Purchasing Initiatives

This is a self-check sheet for suppliers that maintain close relationships with the Nissui Group, including relationships based on large transaction amounts and relationships with a high degree of dependence. The self-check sheet asks the supplier to provide the status of its initiatives relating to "Compliance, Procurement Ethics," "Awareness of Environmental Preservation," "Respect for Human Rights," "Ensuring Quality and Safety," "Information Security" and "Contribution to Society." The self-check sheet comprises 132 items with many of the questions emphasizing the environment and human rights. Seminars are held for suppliers who are required to conduct this self-check sheet (Sustainable procurement seminar).

### Check Sheet of CSR Purchasing Initiatives for New Suppliers

This is a check sheet for potential Nissui suppliers. The check sheet is conducted in an interview format and comprises 17 basic questions on CSR. The check sheet is conducted to confirm the potential supplier's intentions to work with Nissui and to have the potential supplier express consent to the concept and ideals of Nissui's CSR procurement.

# Simplified Check Sheet

This check sheet applies to all of the more than 650 suppliers, with which Nissui currently has transactions. The items on the check sheet have been narrowed down and only contain nine items relating to "Respect for Human Rights" which is integral to CSR procurement but Nissui employees conduct physical checks of the supplier sites and goods.

The Nissui Group uses this 3-point checking system to confirm and understand the situation of its suppliers, and in the event that potential risks are detected, works to improve the situation with the supplier. Nissui is aiming to achieve sustainable procurement across its entire supply chain.

# O Sustainable Procurement Seminar

The Sustainable Procurement Seminar is held as a preliminary briefing for suppliers in Japan who will be replying to the "Self-Check Sheet of Nissui CSR Purchasing Initiatives" for the first time. In addition to communicating the CSR initiatives of the Nissui Group including the "Nissui Group Basic Procurement Policy" and the "CSR Supplier Guidelines" and a summary of the "Self-Check Sheet of Nissui CSR Purchasing Initiatives," the seminar offers lectures on "The CSR Required in the Procurement of Marine Products and Foods" by outside lecturers in order to share the basic concepts of CSR procurement.



Sustainable Procurement Seminar

In February 2019, a seminar was held for the 16 suppliers who replied to the "Self-Check Sheet of Nissui CSR Purchasing Initiatives" for the first time in fiscal 2019.

### O Fiscal 2019 Results and Fiscal 2020 Plan

In fiscal 2019, Nissui received replies to the "Self-Check Sheet of Nissui CSR Purchasing Initiatives" from 33 suppliers both in Japan and overseas (New: 19 suppliers, Repeat: 14 suppliers). As well as summarizing the results of the survey into a graph, feedback sheets with comments that focused on the suppliers' understanding and initiatives toward "Respect for Human Rights" and "Awareness of Environmental Preservation" were returned to the suppliers, requesting each supplier to further reinforce their efforts going forward. Furthermore, to confirm the suppliers' intentions and their actual situations, Nissui visited ten of the suppliers and conducted interviews.

Nissui also used the "Simplified Check Sheet" to confirm the labor environment and the labor management of five of the suppliers in Japan.

In fiscal 2020, Nissui will have 36 suppliers (New: 23 suppliers, Repeat: 13 suppliers) reply to the "Self-Check Sheet of Nissui CSR Purchasing Initiatives" and also plans to carry out confirmation using the "Simplified Check Sheet," whenever necessary.

	FY2018	FY2019	FY2020 (Planned)
Number of suppliers replying to the Self-Check Sheet of Nissui CSR Purchasing Initiatives (Including repeat respondents)	32 (-)	33 (14)	36 (13)
Number of suppliers replying to the Simplified Check Sheet	Not carried out	5	As needed
Number of suppliers replying to the Check Sheet of CSR Purchasing Initiatives for New Suppliers	Not carried out	Not carried out	As needed

# Stakeholder Dialogue

In August 2018, a stakeholder dialogue was held with two experts. Opinions were exchanged on the surveys on the status of the marine resources procured by the Nissui Group and the experts expressed their views and gave assessments on the evolution of CSR procurement. In the dialogue, the experts commented, "The development of a system of CSR procurement involving the suppliers is a potent IUU fishing measure. In the future, Nissui will reach a stage where it will need to consider how to incorporate third-party assessments," and "Expanding IUU fishing measures will become a means of self-defense against the problems of slave-labor, which is increasingly becoming a problem."



Stakeholder Dialogue

# O Gorton's Trusted Catch Sustainability Program (Gorton's Inc.)

Gorton's Inc., member of the Nissui Group is promising sustainable procurement of raw materials including seafood, palm oil and packaging materials with its "Gorton's Trusted Catch".



#### Gorton's Trusted Catch

- · Conserve our resources for the future generations
- · Include every effort of sustainability from the procurement of raw materials to the Green Initiative
- Provide high quality and trusted products to the customer

Gorton's has been making efforts to improve sustainability of marine resources by procuring wild-caught fish only with MSC certification and farmed seafood only with BAP (Best Aquaculture Practices) and <u>ASC (Aquaculture Stewardship Council)</u> certification.

# Initiatives by King & Prince Seafood

The Nissui Group company, King & Prince Seafood Corp. ("K&P") manufactures and sells frozen foods, mainly seafood, in the US. K&P values "Fairness" in its business operations and requires the suppliers involved in the manufacture of its seafood to sign a pledge that they do not engage in unfair labor practices including slavery. As of December 31, 2019, 58 suppliers have signed the pledge. In addition to conducting its own audits on the labor environment, K&P is also scheduled to become a member of SEDEX and will continue to promote initiatives that will further enhance the reliability of its CSR procurement.

(Note) SEDEX: A non-profit organization in U.K. that promotes social and environmental concerned business practices. It operates one of the world's largest supply chain management systems and has more than 50,000 member companies and organizations in 150 countries.

# For the Shareholder and Investor

Click here for "For the Shareholder and Investor"

# "Umi & Sakana" Competition

# O Visiting Schools for Classes and Hands-on Learning

The "Umi & Sakana (ocean and fish)" Children's Research and Artwork 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."

The competition was first held in 1982 and Nissui has continued supporting the competition ever since.

As part of the activities to promote entry in this competition, employees of Nissui as well as researchers and experts of other organizations visit schools to hold classes and offer hands-on learning, in order to assist entrants to find themes for the competition.

#### O School Visits

In the school visits, Nissui, with the cooperation of organizations such as the Japanese Society of Fisheries Science and the Japan Fisheries Research and Education Agency, has asked researchers and experts in fish and fisheries to visit the elementary schools around Japan to provide specialized information, which could not be acquired in regular classes, in easy-to-understand terms, under the theme of "Let's learn about the wonders of the oceans and fish." The school visits also provide an opportunity for the children to view specimens of real fish and to touch fresh live fish landed at the markets in the morning. After the lectures, children at every school actively ask questions, and some of the questions have been so perceptive that it surprised even the experts.

In 2019, 17 schools were selected for school visits and a total of 2,643 elementary school students enthusiastically took part in these classes.













## O Winning Entries of the 38th Competition (2019)

The "Umi & Sakana" Children's Research and Artwork Competition asking elementary school children to submit research or original artwork on the theme of "the oceans, fish, and us."

In the 38th Competition held in 2019, as many as 26,608 unique works were submitted from elementary schools from around Japan and the world.

The following are winners in each division.

#### Research Division

# Ministry of Agriculture, Forestry and Fisheries Minister's Award

#### Yugo Nakamura



PDF(26.8MB)

#### ■ Ministry of Education, Culture, Sports, Science and Technology Minister's Award

#### Shuya Iwashita



PDF(32.0MB)

#### I Japan Agency for Marine-Earth Science and Technology Chairman's Award

#### Uzuki Waraya



PDF(27.5MB)

# Japan Fisheries Research and Education Agency Chairman's Award

#### Manaka Abe



PDF(4.03MB) 🔤

### I Japanese Society of Fisheries Science Chairman's Award

#### Kanji Hutaishi



PDF(18.2MB)

## Asahi Shimbun Award

#### Kota Inanami



PDF(4.72MB)

#### Asahi Gakusei Shimbun Award

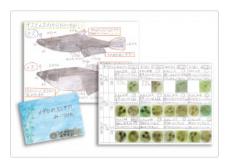
#### Haruhisa Matsuzaki



PDF(38.3MB)

#### Nissui Award

#### Airi Takano



PDF(17.6MB) 📴

# Ministry of Agriculture, Forestry and Fisheries Minister's Award

#### Akito Tokuyasu



PDF(3.95MB)

#### I Japan Agency for Marine-Earth Science and Technology Chairman's Award

Rinto Sasaki



PDF(13.3MB)

# Ministry of Education, Culture, Sports, Science and Technology Minister's Award

#### Noa Izumi



PDF(4.03MB) 🕞

# Japan Fisheries Research and Education Agency Chairman's Award

#### Seigo Ando



PDF(11.4MB)

#### I Japanese Society of Fisheries Science Chairman's Award

#### Honoka Tokumitsu



PDF(17.4MB)

#### Asahi Shimbun Award

#### Kazusa Muto



PDF(9.37MB)

## Asahi Gakusei Shimbun Award

#### Yuta Yokoyama



PDF(5.39MB)

#### Nissui Award

#### Koharu Nakata



PDF(6.59MB)

Special Overseas Award

## Special Overseas Award

#### Kazuma Kobayasi



PDF(4.94MB)

## Nissui Pioneer Exhibition

#### O Nissui Pioneer Exhibition

# The Past, Present and Future of Nissui, Which Has Created Diverse Value from Marine Resources, Is Here

Since its founding in 1911, Nissui has contributed to society by cooperating with the people around the world and creating diverse value from marine resources.

To mark its 100th anniversary, the Nissui Pioneer Exhibition was established in order to convey this corporate stance as well as our Founding Philosophy to future generations. The exhibition displays the past, present and future of Nissui, which has created innovative value from marine resources.

# Opening of the Nissui Tobata Building, in the Tobata District of the City of Kitakyushu, the Place Where Nissui was Founded

Nissui began with Ichiro Tamura, the founder of Nissui, sending Kosuke Kunishi to England to learn how to build trawlers. In 1911, the Tamura Steamship Fishery Division was established in Shimonoseki. In 1929, it was relocated to Tobata, where its role as a supplier of marine products was consolidated.

The Nissui Tobata Building was built in 1936. In 2009, the building was given the "Kitakyushu Urban Beautification Award." The building is illuminated at night to 8:00 p.m.





## **Initiatives for Fisheries and Marine Businesses**

### Nippon Survival Training Center

In April 2011, Nissui Marine Industries Co., Ltd., a fully-owned subsidiary of Nissui, established the Nippon Survival Training Center (NSTC), the first private marine survival training complex in the country.

By providing marine survival training in accordance with global standards, the NSTC equips people that work on the seas with the knowledge, skills, and training to make rational decisions and take appropriate action in the event of an accident, thereby contributing to safety and the preservation of life.

As for the training facilities, the NSTC has a training wing in the Tobata district that houses a pool as well as a lifeboat staging area that serve as a marine survival training center, plus a firefighting training facility in the Wakamatsu district.

It is in this pool that trainees are put in realistic situations in which they learn underwater escape, how to properly fit on a life jacket, how to operate a life raft, the proper posture to prevent injury when jumping into the water while wearing a life jacket, and other tactics needed in the event that a helicopter lands in or goes down on water. At the life boat staging facility, trainees learn how to board and deboard life boats that are lowered to the water from the main vessel by wires using a davit system as well as life boats that are dropped freefall into the water.

Additionally, the training pool and equipment are offered to private-sector diving operators to be used in their training. Through these efforts, Nissui is contributing to the improvement of marine recreation safety as well as to the improvement of divers' skills.

Since its founding, Nissui has always been involved in marine-related businesses. As such, ensuring the safety of marine workers in the event of accidents or natural disasters is just as important as job-training for marine personnel. With the aid of the NSTC, Nissui hopes to contribute further to the healthy development of marine industries.





### O Nippon Marine Enterprises, Ltd.,

Nippon Marine Enterprises, Ltd., a Nissui Group company, is commissioned by the Japan Agency for Marine-Earth Science and Technology (JASMSTEC) to operate and manage a range of marine vessels and observation equipment that JASMSTEC owns. It has been meeting the needs for state-of-the-art marine observation, including the operation of "Kaimei" and other wide-area seabed research vessels, the operation and maintenance of the manned research submersible "Shinkai 6500" as well as unmanned exploration vessel vehicles, and the exploration of the ocean crust in areas prone to seismic activity mainly around Japan.

Recently, Nippon Marine Enterprises, Ltd., has been participating, as a member of Team KUROSHIO, a team representing Japan, in the international competition, Shell Ocean Discovery XPRIZE, which aims to innovate sea floor exploration technology using unmanned exploration vehicles. In this competition, teams compete in sea floor mapping using technology that go beyond any existing technology. Nippon Marine Enterprises, Ltd., is offering AUV (Autonomous Underwater Vehicle) operating technology while at the same time playing a major role in processing seafloor topography data collected by the AUV.

Nippon Marine Enterprises, Ltd., has been leveraging the knowledge and technology of the sea, which it has cultivated since its

Nippon Marine Enterprises, Ltd., has been leveraging the knowledge and technology of the sea, which it has cultivated since its founding, to contribute to the challenges of understanding the sea, earth and life in an integrated manner, as a group of engineers that supports state-of-the-art research activities.



Oceanographic Research Vessel MIRAI Image courtesy of JAMSTEC



Deep Sea Cruising AUV URASHIM Image courtesy of JAMSTEC



Deep Submergence Research Vehicle SHINKAI 6500 Image courtesy of JAMSTEC

## **Initiatives for Popularizing Fish Consumption**

## Initiatives for Popularizing Fish Consumption

#### The Fish Masters' "Eat Fish Project"

The "Eat Fish Project" was started in May 2013 to promote seafood consumption by the Nissui Group company, Yamatsu Suisan Co., Ltd. As part of this project, "Fish Masters" from Yamatsu Suisan have been visiting local elementary schools mainly in Niigata Prefecture. In the dialogues, the children asked numerous questions, and became very excited when they were given the opportunity to handle live fish. In fiscal 2019, eight sessions were held and children were saying that the fish were delicious.



The Children Ate Grilled Fish and Learned Where Each Bone Was Found

### l Coho Salmon Meeting

Yumigahama Suisan Co., Ltd. of the Nissui Group, in cooperation with Sakaiminato-shi, Tottori Prefecture, has been holding "Coho Salmon Meetings" every year as part of food education activities to increase the interest in local foodstuff since 2013. In May 2019, it was held at all eleven nursery schools in Sakaiminato-shi and many nursery school children participated. The children enjoyed learning about the farming of coho salmon through picture-card shows and videos and cheered as an actual coho salmon was cleaned and filleted in front of their eyes. At lunchtime, the children were full of smiles as they enjoyed broiled coho salmon which was marinated in salted rice malt.



The Children Listened to the Picturestory Shows

### ■ Visiting Schools to Give Classes to Popularize Fish Consumption and PR Activities

The Nissui group company, Hiroshimasuisan Co., Ltd., is engaged in numerous activities to communicate the good taste and the positive effects of fish as well as the fun of cooking. In fiscal 2019, some staff from Hiroshimasuisan visited schools and local governments 25 times to give lectures on the cooking methods of fish including cleaning fish, while also communicating the positive effects of fish and the role of the market. In addition, it has been reporting on seasonal fish and the cooking methods of fish on the media including TV and the radio. In fiscal 2019, these activities were recognized and the person in charge of popularizing fish consumption at the company was awarded as a "FY2019 Contributor to the Popularization of Fish Consumption" in a ceremony in the presence of Prince Akishino.



The Scene from the Market Festival

### O Activities to Teach the Next Generation the Importance of Diet

As employees of a company that handles food, Nissui employees are involved in activities to communicate the importance of diet to children. In FY2018, activities centered on such themes as "Let's learn about the importance of food: Fish and good health,""Let's experience the various occupations that involve fish!, " and "The mystery of the eel and its complete aquaculture." Children listened eagerly to the lecturers' explanations as they learned about the value of nutritionally well-balanced meals and the positive effects of EPA and DHA found in fish.



## **Initiatives for End Hunger**

# O Supporting and Participating in the World Food Programme's "End Hunger: Walk the World" Initiative

Nissui has supported and participated in "WFP Walk the World," a charity walk event sponsored by the United Nations World Food Programme (WFP), an accredited NPO, since 2017. Fees to participate in this charity walk event are used through the United Nations WFP as food assistance for children who are suffering from hunger in the developing countries. In 2019, 216 Nissui employees and their families participated in this event, which was held in Yokohama and Osaka. Wearing matching original Nissui T-shirts, the participants thought about ways to reduce global hunger while walking around the port city of Yokohama and the Expo'70 Commemorative Park in Osaka.









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

Since March 2018, Hachioji General Plant has been running its Table For Two campaign. In the campaign, when employees purchase certain set meals or foods, a 20 yen donation is made, which, through an NPO organization, is then used to provide school meals to children in developing countries. At the Hachioji General Plant, we offer a Table For Two menu once a week, designating a fish dish rich in healthy EPA and DHA. In addition, a "Table For Two" vending machine has also been installed which allows the user to make a donation with every purchase of a beverage, providing plant employees with the opportunity to easily make social contributions. In fiscal 2019, a total of 117,696 yen was given as donations.



## O Support for the Problem of Child Poverty (City of Tsukuba)

On January 29, 2019, the Fine Chemicals General Plant Tsukuba Plant donated 216 Nissui's tinned products nearing their best-by dates out of its emergency stockpiles to the City of Tsukuba Children Welfare Office. These products were donated to the six *Minna-no-Shokudo* in the City of Tsukuba (Tsukuba's children's food kitchens) and were used to support the children living in the City of Tsukuba facing economic difficulties.

The Tsukuba Plant also agreed to cooperate with the "Tsukuba Kodomo-no-Aoihane-Kikin," which was established by Tsukuba City as a new system to support the future of the children and set up donation boxes. Going forward the Tsukuba Plant will continue to support the local children by cooperating with the City of Tsukuba through the ongoing donation of products nearing their best-by dates and other means, and aim to resolve the problem of poverty in the City of Tsukuba.





## **Factory Tour and Workplace Experience**

## O Children Enjoy Tours of Plants

We hope that becoming familiar from childhood with how foods are made will encourage an interest in *monozukuri* (manufacturing). We also hope that children will learn the importance of diet and become more fond of eating fish. With these hopes, we have opened our four food manufacturing plants –Hachioji General Plant, Himeji General Plant, Anjo Plant and Tobata Plant – to local elementary school children for factory visits to learn about food. In FY2019, the four plants welcomed approximately 2,200 visitors. Hachioji General Plant also provides hands-on food manufacturing experiences for local children and parents.



Tour of Anjo Plant

## Experiencing the Thrill of Studying Fish

Saiki City, Oita Prefecture, where the Oita Marine Biological Technology Center is located, has always had a thriving fishery industry. The Oita Marine Biological Technology Center, which specializes in aquaculture, has been established in such an area, and in order to better acquaint the community with this research facility, it accepts elementary school children on educational field trips and offers workplace experience to junior high school students. The program has been designed so that it will motivate children to take an interest in fishery and aquaculture, in the hopes that future researchers will be born from those who take part.

### Field Trips for Elementary School Children

On November 28, 2019, the Oita Marine Biological Technology Center welcomed seven third-graders from Matsuura Elementary School, Saiki City, and conducted a program for the children to get to know the research being conducted on fish. After hearing a presentation on the Center and aquaculture research, the children observed the test fish being bred at the Center, as well as experiencing fish feeding and looking at the plankton used for the feed under microscopes. The children asked many questions on fish feeding and the feed and seemed to be very interested in fish research. Afterward, the children sent in many letters as feedback.





#### Workplace Experience for Junior High School Students

On August 1, 2019, the Oita Marine Biological Technology Center conducted a workplace experience program as part of an exchange sponsored by the Oita Prefecture Junior High School Cultural Association. 25 students from around ten schools from Beppu City, Oita City, and Saiki City participated. In addition to taking a tour around the Center and looking through microscopes, the students experienced sampling lab work in which they measured and dissected the young yellowtail. The program was a huge success with the students asking a lot of questions and surprising even the Center's researchers with their enthusiasm for conducting the lab work.





## O A Lesson on Proper Handwashing

On August 23, 2019, the Anjo Plant held a factory visit and risk communication program sponsored by the Medical Department of the Aichi Prefectural Government. The program gave "A Lesson on Proper Handwashing Using Checkers" for families selected from the general public.

The participants not only learned that thoroughly washing hands prevented food poisoning but also experienced first hand through a visit of the actual manufacturing site that food factories are taking various measures to prevent germs from entering the manufacturing site and that such efforts are leading to the prevention of food loss due to contamination by germs.

The participants voiced such opinions as, "The food factory is taking more precautions than I thought in controlling hygiene," and "I was glad I was able to visit a food factory." This also provided a good opportunity for the employees of the plant to enhance their awareness of food safety.





## Teaching Children About Fish

On November 28, 2019, the Nissui Group company, Seinan Suisan Co., Ltd., invited eleven third-and fourth-graders from the local elementary school in Saiki City to a program called "Fish Education and the Work of a Fish Farming Company." The students deepened their knowledge of the world's tuna by answering questions in a quiz and later listened to a lecture on the work of tuna farming, which is one of the businesses of the company, and observed the tuna being bred there. The students taking in the rare sight of live tuna could not hide their excitement and commented, "Wow, they are so big," and "They are awesome," and also asked such honest questions as, "Why did you think of farming tuna, in the first place?" Afterward, the students sent in many letters as feedback. Going forward, Seinan Suisan hopes to offer even more opportunities for students to learn about local work through Fish Education and to conduct more local exchanges.



## • "Seafood University" Program (King & Prince Seafood Corp.)

The Nissui Group company, King & Prince Seafood Corp. (USA, "K&P") has been holding 2-day programs called "Seafood University." The program communicates an overview of K&P, the products of K&P, selling tips, and initiatives for sustainability through the plant tour and the shrimp boat educational cruise.

Employees, suppliers and customers of K&P take part in this activity, which began in 1976, and more than 4,400 people, to date, have "graduated" from the "Seafood University." This provides an opportunity to communicate K&P's initiatives by involving the stakeholders, and has been recognized by the participants as being "an outstanding training program, standing out from other manufacturers who do similar training."





## **Sports Support**

## O Co-sponsorship of Rugby Teams of New Zealand

Nissui has been an official sponsor of the "All Blacks," the national rugby team of New Zealand, through the New Zealand Rugby Union (NZRU) since 1988 and has co-sponsored the New Zealand Universities Rugby Foot Ball Council since 2003.

Nissui has a long, close relationship with New Zealand; we have operated a trawl fishery off the New Zealand coast and manufactured canned foods made from mutton produced in New Zealand. Moreover, Nissui has transferred advanced trawl fishery technologies through business affiliations with local companies and has established joint ventures throughout the years. Nissui's continued co-sponsorship with rugby has served to deepen the friendship and goodwill that have grown from this collaboration and has contributed to the promotion of rugby as a sport.

Nissui will continue co-sponsoring the All Blacks and rugby, doing what we can to help the rugby spirit of "fairness" and "One for all, All for One" permeate into society.



"Nissui Tokyo 2009 Bledisloe Cup," the legendary game between the New Zealand national team and the Australian national team held at the National Stadium in Tokyo.

## O Support of the Japan Masters Swimming Association

Nissui has been developing the SPORTS EPA brand, which utilizes EPA (eicosapentaenoic acid) in the sports field, and has continued to support the Japan Masters Swimming Association. Swimming requires endurance and overcoming the lack of oxygen, which swimmers experience during swimming competitions, is a major issue. However, swimmers can expect to improve their exercise effciency and reduce the level of fatigue by taking EPA. Nissui supports the swim meets sponsored by the Japan Masters Swimming Association and encourages all swimmers so that they can perform to the best of their abilities until the finish line.



The Japan Masters Swimming Association (in Japanese) http://www.masters-swim.or.jp/

## Co-sponsorship of the Women's Sports Workshop

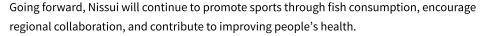
Since 2015, Nissui has been co-sponsoring the "Women's Sports Workshop" held twice a year by the NPO, Montreal Olympic Volleyball Society ("Mon Sport").

This workshop aims to further promote the participation of women in sports by communicating accurate knowledge on such topics as nutrition and sports medicine, encourage exchanges of information among the participants, and offer consultations. Lectures by experts such as active athletes, coaches, doctors, and researchers from various perspectives are offered and the participants can be entertained as well as enlightened on the environment surrounding women and sports. Nissui has been mainly educating participants on EPA and fast-twitch muscle proteins. Going forward, Nissui plans to work toward spreading accurate information and building an environment where everyone can enjoy sports regardless of gender.



#### O Nissui Yunomaru Athletes Restaurant

In Yunomaru Kogen in Tomi City, Nagano Prefecture, there is a sports facility called "GMO Athletes Park Yunomaru" where athletes can train in track and swimming in high-altitude areas of 1,730 to 1,750 meters. From fiscal 2020, Nissui, as the naming rights partner, is supporting the meals for athletes at Yunomaru Athletes Restaurant which adjoins the sports facility. Nissui supports the athletes with fish-based meals that contain fast-twitch muscle proteins and EPA, among others, and is considering opening the restaurant to the public in the future in order to support "sports longevity."





## **Regional Contribution Activities**

## Measures against Regional Disasters (Hachioji Area)

#### Participation in the Kitanomachi Emergency Drill

On October 27, 2019, the Hachioji General Plant participated in the emergency drill conducted by Kitanomachi, Hachioji. The Plant displayed and distributed papers that summarized the maps of the local evacuation areas and the flooding hazard maps, as well as introducing and distributing Nissui's fish sausages as part of emergency stockpiles.

In 2019, the Asa River, which flows through Kitanomachi, reached flooding levels, due to a large typhoon making landfall, which has prompted many participants to take a look at the papers, especially the flooding hazard map. The Plant was also able to communicate to the residents of the area that fish sausage could be kept for approximately four months at room temperature and could be used as a source of high-quality protein in emergencies.



#### Providing Well Water During Emergencies

There is a deep well on the premises where the Hachioji General Plant, and the Group companies, Chilldy Co., Ltd. and the Hachioji Office of Carry Net Co., Ltd. are located. The water from the well, under strict daily water quality supervision, is being used in the plants and the offices.

The Hachioji General Plant, in preparation for water supply stoppages due to various causes including natural disasters, has made an arrangement to offer this well water as drinking water, by entering into the "Disaster Control Measure-related Agreement" with the City of Hachioji. This arrangement is part of Nissui's regional contribution activities borne from the desire to be of service to the people living in the same community in emergency situations as well as in ordinary times.



# Operation of an Antenna Shop to Bring Safe and Reliable Salmon to Local Residents

The Nissui Group company, Salmones Antártica S.A.(SA), is engaged in the business of farming, processing, and selling salmon in Chile. While salmon aquaculture is a thriving business on Isla de Chiloé, in the Los Lagos Region, where SA is headquartered, the highquality salmon products are almost all exported overseas, and generally on the Isla de Chiloé, the local resident can only get their hands on the substandard products or products whose sources are questionable.

In 2013, the year in which SA commemorated the 25th anniversary of becoming a member of the Nissui Group, it opened an antenna shop in Castro, the center of the Isla de Chiloé, to sell its safe and reliable salmon products. The antenna shop became extremely popular resulting in strong sales and providing the opportunity for the local residents to get to know the high-quality products of SA.In response to its popularity in Castro, SA decided to open a second shop in Santiago, the capital of Chile in November 2019. By opening a shop in Santiago, SA has been able to bring its salmon products to an even greater number of people.

SA, a pioneer in salmon farming in Chile, has been selling the FIVE STAR brand products to its customers around the world but going forward it also hopes to become a company that is loved by its local residents.







## O Activities toward the Development of the Next-Generation Children

# Donation to the "Sakaiminato *Unabara* Fisheries Foundation" (Kyowasuisan Kabushiki Kaisha)

The Nissui group company, Kyowasuisan Kabushiki Kaisha, which is located in Sakaiminato City, Tottori Prefecture, has been making donations to the fisheries scholarship of the "Sakaiminato *Unabara* Fisheries Foundation" since 1985. Scholarship recipients are selected from out of high school students who are planning to receive fisheries education in Tottori Prefecture or hoping to find fisheries-related work. Kyowasuisan hopes to support the young people who will lead the fisheries of the future while also promoting fisheries education at home in Tottori Prefecture and aiming to further develop the local fisheries industry.



# Participation in the MTT (My Town Teacher) Project (Nippon Marine Enterprises, Ltd.)

Yokosuka City, Kanagawa Prefecture where the Nissui Group company, Nippon Marine Enterprises, Ltd., is located, is promoting a career education project called "MTT." This project consists of adults working in Yokosuka City providing career education, as an M (My) T (Town) T (Teacher), at the local junior high schools, and communicating such messages as "What it means to work" and "What are the joys and hardships of working." Nippon Marine Enterprises has been participating in this project since 2011 and as of January 2020, a total of 47 employees have cooperated in providing career education as MTTs.

# • Offering Salmon as Teaching Materials to the Local High Schools (Yumigahama Suisan Kaisha, Ltd.)

The Nissui Group company, Yumigahama Suisan Kaisha, Ltd., which is located in Sakaiminato City, Tottori Prefecture, is engaged in the farming and processing of salmon and other marine products. Each year, the Food and Business Course of the Sakaiminato *Sogo Gijutsu* High School (Sakaiminato Comprehensive Technology High School) offers a practical training course on the processing of *Aramakijake* (salt-cured salmon). This training course is a traditional course at the high school with a history of over 70 years. Yumigahama Suisan offers the coho salmon (Sakaiminato Salmon), which it farms at Miho Bay on the shore of Sakaiminato City, as teaching materials for this training course. In November 2019, the training course was held five times and a total of 1,200 *Aramakijake* were processed. And in December the processed *Aramakijake* was used in the practical training course to market the fish to the general public. This training course provides an opportunity for high school students who will be the leaders of tomorrow to learn about the processing and marketing of marine products as well as becoming familiar with local foodstuff.



Photo Credit: The Nihonkai Shimbun Co., Ltd. (Posted on November 28, 2019)

## The Global Fisheries Scholarship Program

For the purpose of contributing to the development of the marine industry in New Zealand, Nissui provides in-house training for young Maori.

We have accepted 1 or 2 trainee(s) in one year since 2002. During the one-year training, trainees visit or stay in fish farms and research facilities nationwide to participate in practical work and lectures ranging from catching, farming, processing, selling and distributing. The training program also focuses on understanding Japanese culture and consumer's needs as well as Japanese language study.

Trainees who have completed the training return to New Zealand, and actively engage in the home marine industry and other relevant businesses.



# O Supporting the Indigenous People of the Region (Salmones Antártica S.A.)

The feed plant of the Nissui Group company, Salmones Antártica S.A. ("SA"), is located in Los Ángeles in the State of Bio-Bio. Many indigenous people live in the Trapa Trapa Region near the Andes mountain range in the same State. The village of Ralco in this region is home to over 70 such households where the people in winter are completely isolated from the rest of the world for months due to the snow. SA donates food to these households, as a way of supporting the livelihood of the people faced with mobility difficulties. SA is involved in an activity to support and protect the indigenous people.





# O Awarded the 2019 Business Partner of the Year Award (King & Prince Seafood Corp.)

The Nissui overseas group company, King & Prince Seafood Corp. (K&P) manufactures and sells frozen foods in the US. On December 9, 2019, K&P was awarded the 2019 Business Partner of the Year Award at the 12th Business & Education Summit (Note) held in Gainesville, Georgia.

K&P, which is located in Brunswick, Georgia, has long been engaged in support activities for the local charter school, Golden Isles College and Career Academy (GICCA). K&P was given the award in recognition of its various commitments toward the school, including holding guest lectures by employees, providing counseling sessions to students, participating in the school's strategic plans, recruitment of graduates, in addition to providing financial support. K&P also accepts GICCA students for hands-on training and the students expressed their satisfaction with the program with such comments as, "I've been able to work closely with the people in the shop," and "It will also help me because I've never had a jobexperience."

For K&P, activities to support GICCA represent not only a way to invest in the future through human resources development but also to contribute to the regional community by protecting the local, high-quality educational institutions.

(Note) The Business & Education Summit: The summit which is sponsored by Georgia Lt. Governor Geoff Duncan and awards companies, educational institutions, and students that have contributed to the expansion of career education and the development of the labor force in the state of Georgia.





## O Community-based Activities

# Other Community-based Activities Conducted in Fiscal 2019 by Nissui's Business Locations

Name of business location	Details of Activities	Date of activities	Employee participation	Endowment, donation, co- sponsorship	Others
Fine Chemicals General Plant Tsukuba Plant	•Acquired certification as "Tsukuba SDGs partners"	December 2019			0
Fine Chemicals General Plant	•Cooperation with the "Kamisu Health Mileage program"	February 16, 2019 to February 15, 2020		0	
Kashima Plant	•Participation in the "Kamisu City Flower and contact town development promotion business"	May 25, 2019 to October 26, 2019	0		
Anjo Plant	•Distributed sausages at the "140th Anniversary Meiji-yosui Canal Walking" event	September 21, 2019		0	
Funabashi Food Processing Plant	•Cooperation with the Regional Youth Support Station	From April 2019			0
Chushikoku Branch	•Participated in the "Clean-up of Hiroshima Peace Memorial Park"		0		
Tokyo Innovation Center	•Co-sponsored the summer festival of Hyoe Kumano Shrine in Hachioji City by providing sausages	August 24, 2019		0	

# ● Other Community-based Activities Conducted in Fiscal 2019 by Nissui Group Companies in Japan

Name of the company	Details of Activities	Date of activities	Employee participation	Endowment, donation, co- sponsorship	Others
Kunihiro Inc.	Participated in a festival in Onomichi     City and engaged in volunteer activities		0		
Kullillio IIIc.	•Supported vaccines by recycling plastic bottle caps	Every year		0	
Nissui Marine Industries Co., Ltd.	Supported vaccines and wheelchairs by recycling plastic bottle caps and pulltabs and used stamps	Every year	0	0	
FARMCHOICE Co., Ltd .	<ul> <li>Participated in a festival in Kusuura Region, Amakusa City and engaged in volunteer activities</li> </ul>	November 16, 2019	0		
Hokuriku Fresh Foods Co., Ltd.	•Cleaned up the irrigation canals in the areas surrounding the office in Toyama City	December 27, 2019	0		

# ● Other Community-based Activities Conducted in Fiscal 2019 by Nissui Group Companies Outside Japan

Country	Name of the company	Details of Activities	Date of activities	Employee participation	Endowment, donation, co- sponsorship	Others
Thailand	Nissui (Thailand)	•Invited the children of employees and local residents to the zoo	June 22, 2019	0		
manana	Co., Ltd.	•Participated in the "Samila Beach Clean-up"	May 1, 2019	0		
USA	F.W. Bryce, Inc.	•Donated toys to the local shelter	Every year		0	
USA	King & Prince Seafood Corp.	•Cooperated with the United Way® (Charitable organization headquartered in the US)	May 15, 2019	0		
Chile	Salmones Antártica S.A.	•Donated to the local fire department	August to December 2019	0	0	
	S.A.	•Local clean-up	Every year	0		

## Other Activities

## O Support of the Yumeiku Work Support Project

Nissui is supporting the Yumeiku Work Support Project, the work support project for people with intellectual disabilities, being promoted by THE SAN-IN GODO BANK, LTD. and Shimane Prefecture. Through the Yumeiku Work Support Project, Nissui supports the work of people with disabilities by using their drawings in the designs of novelties.

the Yumeiku Work Support (in Japanese) http://you-make.jp/





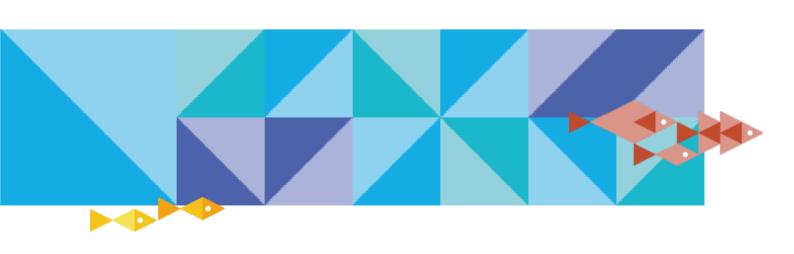
# O Donation to the Scholarship Foundation for Orphans from Marine Accidents

Nissui, with the cooperation of its executives and employees, the (NAC) Nippon Suisan Labor Union and through the social gathering of maritime employees, donates to the Scholarship Foundation for Orphans from Marine Accidents each year since its foundation in 1970.

# Governance

Corporate Governance	131
Compliance	135
Risk Management	137





## **Corporate Governance**

Corporate Governance (Extract of Corporate Governance Report 2019)(239KB)



### Basic Approach to Corporate Governance

Nissui upholds the Policy toward Society "to behave with integrity as a company and an individual" in its Code of Ethics. Board Members who engage in management for the benefit of the shareholders shall strive to enhance the functions of the Board of Directors, the decision-making body for the Company's business execution, and ensure flexible decision-making and the transparency of management. The Audit & Supervisory Board Members shall ensure its independence while enhancing and strengthening its oversight function over the business execution of the Board Members.

### Corporate Governance Structure



Board Members have a term of office of one year to ensure greater transparency of management and to strengthen the functions of management oversight, and Outside Board Members independent from the executive team have also been appointed. The Board of Directors currently comprising eight male Board Directors, of whom two are Outside Board Members meet at least once a month, as a general rule, to decide important matters and to supervise the status of business execution.

With respect to business execution, the executive officer system was adopted from June 25, 2009 to further strengthen the business execution framework and to ensure greater flexibility and effectiveness in business operations. Executive Officers who have been appointed by the Board of Directors meet once a month at the Executive Committee, as a general rule, to deliberate and resolve important matters relating to operations and to report on the status of business execution. The Executive Committee comprises 18 male Executive Officers including six Executive Officers serving concurrently as Board Members.

With respect to supervision and auditing, Outside Board Members maintain a position that is independent from the executive team when attending the Board of Directors and conduct supervision over management, while the Audit & Supervisory Board Members (three male and one female) including three Outside Audit & Supervisory Board Members attend the Board of Directors and conduct audits of the business execution of the Board Members as well as attend the Executive Committee, as necessary.

Furthermore, an internal auditing division, which is under the direct control of the President, conducts internal audits of the business operations of the Group. With respect to accounting audits, Nissui has engaged Ernst & Young ShinNihon LLC, and undergoes accounting audits pursuant to the Companies Act and to the Financial Instruments and Exchange Act.

With respect to nomination and remuneration, the Nomination and Compensation Committee, a voluntary committee comprising the Representative Board Member and Outside Board Members, deliberate the election and dismissal of executive candidates including the CEO, succession plans, remunerations, etc. and make recommendations to the Board of Directors. The Board of Directors, keeping in mind this recommendation, resolves executive appointments and remunerations. Candidates for Audit & Supervisory Board Member obtain prior approval of the Audit & Supervisory Board.

The remunerations of Audit & Supervisory Board Members are determined by deliberation of the Audit & Supervisory Board Members.

### O Internal Control System

Basic Policy for Internal Control System >

### O Auditing System

The Internal Audit Department, an organization (with seven members including the General Manager) which is under the direct control of the President, has been established as an internal auditing division. The department conducts internal audits on the Group based on annual plans, evaluates matters relating to internal controls to ensure the reliability of financial reporting, and reports the results to the Board Members, the Audit & Supervisory Board Members and the heads of the audited organizations.

As of March 31, 2019, the Audit & Supervisory Board comprises four members including three Outside Audit & Supervisory Board Members. Each Audit & Supervisory Board Member conducts audits in accordance with laws and regulations, the Articles of Incorporation and the implementation procedures established by the Audit & Supervisory Board for the purpose of ensuring the effectiveness of audits. Audit & Supervisory Board Members also periodically receive reports on audit plans and audit results from the Accounting Auditor, while at the same time mutually coordinate with them by witnessing certain audits conducted by the Accounting Auditor, and exchange information and opinions with the Internal Audit Department as necessary. Furthermore, Audit & Supervisory Board Members also periodically exchange opinions with the Representative Board Member and Board Members (including Outside Board Members). The Company has established "Staff of Audit & Supervisory Board Members" to assist the operations of the Audit & Supervisory Board Members from a position independent from the Board Members and Executive Officers.

The Company has entered into an audit engagement agreement with Ernst & Young ShinNihon LLC.

#### Outside Executives

There are two Outside Board Members, who have no personal, capital, trading or any other special relationship of interest with the Company.

Outside Board Member, Kazuo Ohki, has extensive insight accumulated over the years as a Representative Director of a telecommunications company and a network support company. The Company has elected him as an Outside Board Member with the expectation that he will offer appropriate supervision and decision-making on management in general.

Outside Board Member, Keisuke Yokoo, has extensive insight accumulated over the years through his experience at financial institutions and as the Representative Director, and since June 2013 has also been providing questions and advice, as necessary, to ensure the appropriateness of decision-making, as an Outside Audit & Supervisory Board Member at the Board of Directors meetings of the Company. The Company has elected him as an Outside Board Member with the expectation that he will offer appropriate supervision and decision-making on management in general based on his abundant knowledge of the Company.

Given that both Outside Board Members meet the requirements of independent officers set forth by the Tokyo Stock Exchange and the "Independence Criteria of Outside Executive Officers" set forth by the Company and thus do not pose any conflict of interests with general shareholders, the Company has deemed them to be independent and has designated them as Independent Officers as set forth by the Tokyo Stock Exchange and given notice thereto. The Outside Board Members exchange information and opinions, as necessary, with the Internal Audit Department on the content of the reports submitted by the department.

There are three Outside Audit & Supervisory Board Members, who have no personal, capital, trading or any other special relationship of interest with the Company.

Outside Audit & Supervisory Board Member, Shino Hirose, is well-versed in corporate law, as well as in business in China from having served at the Japanese Embassy in Beijing, as a public servant for a fixed term with the Ministry of Foreign Affairs. The Company has elected her as an Outside Audit & Supervisory Board Member with the expectation that she will draw on her expertise in conducting the audits of the Company. Ms. Hirose belongs to the law firm, Abe, Ikubo & Katayama.

Outside Audit & Supervisory Board Member, Motohide Ozawa, a Certified Public Accountant, has abundant experience as an expert in accounting from having served as a Representative Partner at a major accounting firm and from currently serving as Speciallyappointed Professor of Graduate School of International Accounting, Professional Graduate Schools, Chuo University, He serves as an outside auditor, etc. of three listed companies including a warehouse company and an apparel manufacturing company and has extensive insight into the business world. The Company has elected him as an Outside Audit & Supervisory Board Member with the expectation that his advice based on his experience and knowledge will be effective toward the audits of the Company. Outside Audit & Supervisory Board Member, Toshinari Iyoda, has had extensive experience over the years in international sales and media/information and communication sales at financial institutions, as well as being well-versed in auditing from having served for six years as a standing corporate auditor including a corporate auditor of a listed company. The Company has elected him as an Outside Audit & Supervisory Board Member with the expectation that he will draw on his deep insight and experience accumulated in the course of his career in conducting the audits of the Company.

Given that all three Outside Audit & Supervisory Board Members meet the requirements of independent officers set forth by the Tokyo Stock Exchange and the "Independence Criteria of Outside Executives" set forth by the Company and thus do not pose any conflict of interests with general shareholders, the Company has deemed them to be independent and has designated them as Independent Officers as set forth by the Tokyo Stock Exchange and given notice thereto.

Outside Audit & Supervisory Board Members periodically receive reports on audit plans and audit results from the Accounting Auditor, while at the same time mutually coordinate with them by witnessing certain audits conducted by the Accounting Auditor. Outside Audit & Supervisory Board Members also exchange information and opinions with the Internal Audit Department as necessary. The Internal Audit Department reports the results of the operational audits of the Group to the Audit & Supervisory Board Members.

Independence\_Criteria\_of\_Outside\_Executives (104KB)



### • Executive Compensation

#### Total Amount of Compensation, etc. by Executive Category, the Types of Compensation and the Number of Eligible Executives for the 103rd Term

Executive category	Total amount of compensation, etc.	Total amount of com type (Millions of yen)	•	Number of eligible executives(persons)		
	(Millions of yen)	Basic compensation	Performance- linked compensation			
Board Members(excluding Outside Board Members)	345	240	105	8		
Audit & Supervisory Board  Members(excluding Outside Audit & Supervisory Board Members)	24	24	-	1		
Outside Executives	66	66	-	9		

#### Note

- 1. Compensation paid to Board Members includes the portion of the salary for Executive Officers and the performance-based compensation for Executive Officers for the current fiscal year with regard to Board Members serving concurrently as Executive Officers.
- 2. The above includes three Board Members and two Audit & Supervisory Board Members who retired at the conclusion of the 102nd Ordinary General Shareholders' Meeting held on June 28, 2017 and the one Board Member who retired as of March 15, 2018.

#### Policy on the Determination of the Amount of Executive Compensation, etc.

A basic policy for the determination of executive compensation has been established, as per the following, in accordance with the Corporate Governance Code.

#### **Compensation for Board Members**

#### **Basic Policy**

- 1. The compensation system shall support the achievement of the Company's Basic Management Policy.
- 2. The compensation system shall be designed to reflect medium- to long-term management strategies, and as means to achieve such management strategies strives to eliminate short-term bias and motivate the medium- to long-term improvement of corporate value.
- 3. The compensation system shall be effective in maintaining and securing outstanding talent.
- 4. The compensation system shall be designed in a transparent, fair and reasonable manner from the standpoint of accountability to stakeholders including the shareholders and employees, and shall ensure appropriate determination processes.
- 5. The compensation system shall be aligned to the roles and responsibilities entailed by each rank and to performance.

#### **Executive Compensation Structure**

The Company's executive compensation system comprises the three elements of 1) basic compensation which has been determined as a fixed compensation according to the rank of the officer, 2) performance-linked compensation (annual incentive) which is linked to annual business performance and 3) stock-based compensation (medium-term incentive) which is linked to the level of achievement of the Medium-Term Business Plan. Compensation levels and the proportion of each type of compensation are set, upon comparison with industry peers and similar-sized enterprises, based on the financial condition of the Company.

#### **Compensation Determination Procedures**

The Company's executive compensation is determined by resolution of the Board of Directors within the range of the total amount of compensation approved by the General Shareholders' Meeting, upon deliberation by the Nomination and Compensation Committee, a voluntary committee chaired by an Outside Board Member and comprising the Representative Board Member and Outside Board Members.

#### Compensation for Audit & Supervisory Board Members

Compensation for Audit & Supervisory Board Members comprises fixed compensation and is determined by deliberation of the Audit & Supervisory Board Member compensation approved by the General Shareholders' Meeting.

## Compliance

#### Code of Ethics

#### Objectives

Being aware that each of us is a constituent member of the business enterprise having a characteristic of a social and public institution, we hereby adopt this Code as our moral standard and code of conduct.

#### Basic Thoughts

We can continue to operate the business only if customers support us and society trusts us.

We keep this in mind and have pride in having as our principle the lawfulness and sincerity that reflects the spirit in which the Company was founded.

#### | Guidelines of Ethical Conduct

We observe applicable domestic and foreign laws with regard for the underlying spirit of such laws and also "behave with integrity as a company and an individual" in order to continue to be fair and sincere to society. More specifically, we:

- 1. develop and keep fair relationships with customers, shareholders, parties transacting business with us and all other interested parties;
- 2. eliminate any relationship with any antisocial force that poses a threat to public order or safety;
- 3. widely and fairly disclose the Company information and, at the same time, strictly control nonpublic information;
- 4. respect intellectual property rights in the world and not engage in illegal use of these rights;
- 5. draw a line between official matters and private matters and not make use of official or business position for personal interest;
- 6. perform official duties faithfully, keep conscious of our role as a good citizen and a member of a responsible business enterprise, and not deviate from social ethics and morals;
- 7. respect our frank and openhearted communication environment and make an effort to maintain a sound and effective system of internal checks and balances;
- 8. respect the differences in culture and customs from those in Japan when engaging in business outside Japan and make an effort for mutual understanding;
- 9. respect and observe Quality Assurance Code, Environmental Code and other internal rules and regulations; and
- 10. for the purpose of employee evaluation, give priority to their loyalty to the matters provided in the Code of Ethics.

Management personnel should take the lead in observing this Code of Ethics and make it well known to people within the Company. If any breach of this Code occurs, Management should investigate the reasons therefore, make efforts to avoid recurrence of such breach and fulfill the responsibility of prompt disclosure of relevant information and explanations for such incidences.

## O Corporate Governance Promotion Structure/Ethics Subcommittee

The Code of Ethics, which sets forth our ethics and action guidelines, upholds the principle to "behave with integrity as a company and an individual." To ensure that business activities adhere to laws and regulations, the Ethics Subcommittee, an organization in which external attorneys participate and which is directly controlled by the President, is held once every two months. The Ethics Subcommittee plans and manages programs seeking thorough compliance through enhancement of staff education and training, and makes final decisions on compliance with various business issues. An officer responsible for risk management reports the detailed activities of the Subcommittee to the Board of Directors.

To deal with doubtful matters on compliance in the Group, the Company has established an internal reporting system which allows executives and employees of the Group to directly inform the Ethics Subcommittee of such matters. The liaison contacts, which may be used by each domestic Group company, have been set both inside and outside the Company, and a system is in place which ensures that Audit & Supervisory Board Members are informed at the same time. The Company also receives information from external sources such as business partners.

#### O Ethics Subcommittee

The Ethics Subcommittee was established based on the Code of Ethics and the Ethical Action Standards for the purpose of raising the level of ethical behavior of the Company and the Group companies, and is convened six times a year.

#### Initiatives to raise awareness

In September 2018, the Nissui Principles was prepared and distributed to all employees. The Nissui Principles include the Corporate Philosophy, the Basic Management Philosophy, the CSR Action Declaration, the Employee Health Declaration, the Code of Ethics, the Quality Assurance Code, the Environmental Code, the Nissui Group Basic Procurement Policy, the Basic Information Security Policy and the method for using the whistle-blowing system. A Risk Management Month is set aside each year where, the members of each division take turns reading the Nissui Principles.

Additionally, Nissui conducts compliance seminars for its new employees, as well as conducting seminars on specific themes including personal scandals, the Subcontract Act and the Antimonopoly Act.



## Information Security Subcommittee

The Information Security Subcommittee is convened four times a year. Additionally, e-learning courses on information security are offered to employees are conducted for employees after which training on targeted email attacks and surveys to determine the level of comprehension of information security are conducted.

## Risk Management

### The Risk Management Committee

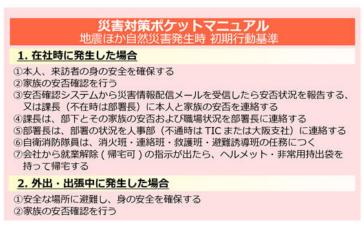
The Risk Management Committee, an organization under the direct control of the President, is convened four times a year. The Risk Management Committee strives to build, maintain and improve the risk management system of the Nissui Group based on the risk management rules. An officer responsible for risk management periodically reports the Risk Management Committee's activities to the Board of Directors.

## OBCP (Business Continuity Planning)

The Nissui Group has established a "Nissui Group Basic Post-disaster BCP Policy" and has been making efforts to build a framework, which, even in the event of a major disaster, puts saving lives first and continues to provide the support and services required by our employees, customers, and other stakeholders.

In order to facilitate activities in the wake of disasters as an organization, the Nissui Group conducts periodic education and drills as well as checks and actions.

Once a year, training is conducted on all employees reminding them how to use the safety confirmation system. Furthermore, preparations for disasters are being made by distributing the pocket-size version of the "Disaster Countermeasures Pocket Manual," which outlines the standards for initial responses when earthquakes and other natural disasters occur, to employees and their families.

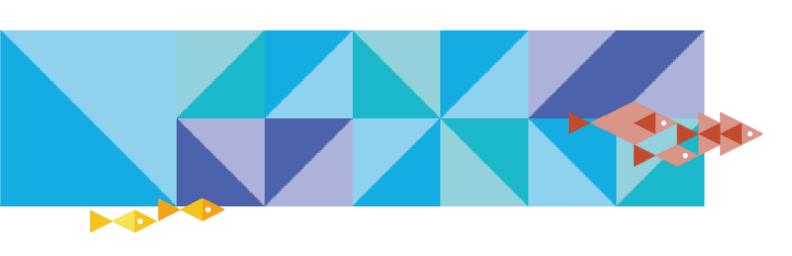


Disaster Countermeasures Pocket Manual

# Library

ESG Data Book ·····	139
Stakeholder Dialogue	147
Comparative Table with GRI Standards	151
External Recognition	156





## ESG Data Book

## O Environmental Data

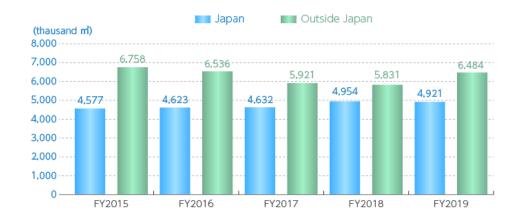
#### Organizations covered in the environmental data

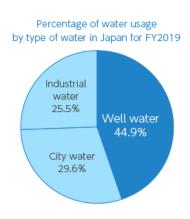
The environmental data in Japan represents the totals of Nippon Suisan Kaisha, Ltd. and its group companies in Japan (including 5 unconsolidated affiliate companies in Japan), which is the scope of the report of the activities to reduce environmental impact. The environmental data outside Japan represents the totals of the major nine group companies outside Japan.

#### Water Use

			Base year				
			FY2015	FY2016	FY2017	FY2018	FY2019
	Water use (thousand m <sup>3</sup> )		4,577	4,623	4,632	4,954	4,921
Japan	Compared to	the base year	-	-	-	-	89.3%
	Reference Production volume (tons) (Note 1)		426,011	447,416	466,298	486,288	515,948
	Water use (th	nousand m <sup>3</sup> )	6,758	6,536	5,921	5,831	6,484
		Asia	680	671	666	633	668
Outside		Europe	179	219	234	253	553
Japan	North America		5,648	5,394	4,740	4,729	4,998
	South America		251	252	281	216	265
	Reference Pr	oduction volume (tons)	386,303	375,171	374,385	397,525	422,045

(Note 1): In calculating per unit, the active volume from cold storage warehouses, etc. is included in addition to production volume.



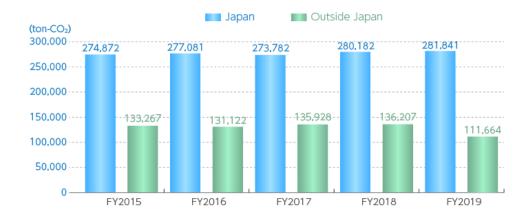


### CO<sub>2</sub> Emissions

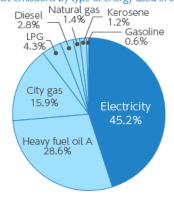
			Base year				
			FY2015	FY2016	FY2017	FY2018	FY2019
	CO <sub>2</sub> emissions (ton-CO <sub>2</sub> )		274,872	277,081	273,782	280,182	281,841
Japan	Compared to	the base year	-	-	-	-	86.0%
	Reference Production volume (tons) (Note 1)		426,011	447,416	466,298	486,288	515,948
	CO <sub>2</sub> emission	ns (ton-CO <sub>2</sub> ) (Note 2)	133,267	131,122	135,928	136,207	111,664
		Asia	14,676	15,018	15,089	15,066	13,006
Outside		Europe	13,677	11,808	17,199	16,763	10,682
Japan	North America		61,836	59,929	58,161	59,895	42,506
	South America		43,078	44,367	45,479	44,483	45,470
	Reference Pr	oduction volume (tons)	386,303	375,171	374,385	397,525	422,045

 $(Note\ 1): In\ calculating\ per\ unit,\ the\ active\ volume\ from\ cold\ storage\ warehouses,\ etc.\ is\ included\ in\ addition\ to\ production\ volume.$ 

(Note 2): Since 2019,  $CO_2$  emissions from electricity use among Nissui's group companies outside Japan are calculated based on average  $CO_2$  emissions factors by countries published by the IEA (International Energy Agency).





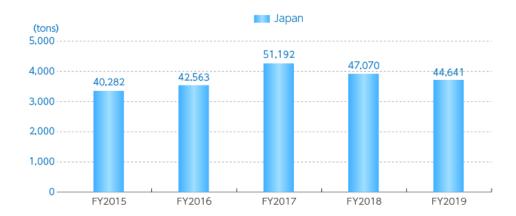


#### Waste

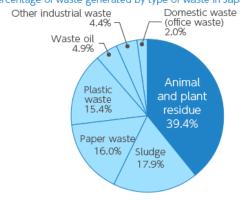
		Base year				
		FY2015	FY2016	FY2017	FY2018	FY2019
	Waste (tons)	40,282	42,563	51,192	47,070	44,641
	Compared to the base year	-	-	-	-	92.2%
Japan	Recycling rate (Note 1)	91.5%	95.7%	96.0%	96.0%	98.0%
	Reference Production volume (tons) (Note 2)	426,011	447,416	466,298	486,288	515,948

(Note 1): The recycling rate is calculated after domestic waste has been removed.

(Note 2): In calculating per unit, the active volume from cold storage warehouses, etc. is included in addition to production volume.



#### Percentage of waste generated by type of waste in Japan for FY2019



### COD, BOD, and Others

		COD (tons)	BOD (tons)	T-N (tons)	T-P (tons)	Water discharge (thousand m <sup>3</sup> )
lanan	FY2018	2.1	1.9	0.8	0.3	235.0
Japan	FY2019	1.5	0.8	0.6	0.1	226.2

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

Details of the data: Production wastewater from production plants running off into public waterways.

## NOx, SOx, Soot and Dust

		NOx (tons)	SOx(tons)	Soot and dust (tons)
lawan.	FY2018	14.0	0.0	0.1
Japan	FY2019	11.9	0.0	0.1

Scope: Nippon Suisan Kaisha, Ltd. (Nissui)

Details of the data: Emissions from boilers with a heating surface area of 10m2 or more, or with a combustion capacity of 50 liters/hour or more that are designated as facilities that generate soot and smoke, pursuant to the Air Pollution Control Act.

## O Personnel/Labor Data

#### Organizations covered by personnel data

Personnel data reports on Nippon Suisan Kaisha, Ltd. and its 65 in/outside Japan consolidated subsidiaries (As of March 31, 2020).

#### \*Definition of terms

Employees: Senior-level employees, non-senior-level employees and fixed-term employees, who are directly hired by a company Temporary employees including directly-hired contract employees and temporary employees such as part timers

Executives:Board Members, Audit & Supervisory Board Members and Executive Officers

Managers:Persons with subordinates, or persons in equivalent levels without subordinates, excluding Executives

## Number of Employees (persons)

			FY2016			FY2017			FY2018			FY2019		
		Total	Male	Female										
Nissu	ıi Group in Japan, total	11,968	-	-	11,883	-	-	11,917	-	-	11,751	-	-	
	Employees	4,531	-	-	4,640	-	-	4,796	-	-	4,869	-	-	
	Temporary employees	7,437	-	-	7,243	-	-	7,121	-	-	6,882	-	-	
N	Nippon Suisan Kaisha, Ltd.	2,315	-	-	2,280	-	-	2,352	-	-	2,385	-	-	
	Employees	1,132	915	217	1,147	915	232	1,203	955	248	1,233	975	258	
	Temporary employees	1,183	-	-	1,133	-	-	1,149	-	-	1,152	-	-	
C	Consolidated subsidiaries	9,653	-	-	9,603	-	-	9,565	-	-	9,366	-	-	
	Employees	3,399	-	-	3,493	-	-	3,593	-	-	3,636	-	-	
	Temporary employees	6,254	-	-	6,110	-	-	5,972	-	-	5,730	-	-	
Nissı	ui Group Outside Japan, total	-	-	-	6,401	-	-	6,679	-	-	6,892	_	-	
	Employees	-	-	-	4,352	-	-	4,269	-	-	4,378	-	-	
	Temporary employees	-	-	-	2,049	-	-	2,410	-	-	2,514	-	-	
А	Asia	-	-	-	1,605	-	-	1,498	-	-	1,323	-	-	
	Employees	-	-	-	614	-	-	547	-	-	441	-	-	
	Temporary employees	-	-	-	991	-	-	951	-	-	882	-	-	
E	Europe	-	-	-	1,841	-	-	1,902	-	-	1,992	-	-	
	Employees	-	-	-	1,529	-	-	1,527	-	-	1,682	-	-	
	Temporary employees	-	-	-	312	-	-	375	-	-	310	-	-	
E	Employees	-	-	-	1,727	-	-	1,988	-	-	2,138	-	-	
	Employees	-	-	-	1,175	-	-	1,198	-	-	1,196	-	-	
	Temporary employees	-	-	-	552	-	-	790	-	-	942	-	-	
S	South America	-	-	-	1,228	-	-	1,291	-	-	1,439	-	-	
	Employees	-	-	-	1,034	-	-	997	-	-	1,059	-	-	
	Temporary employees	-	-	_	194	-	-	294	-	-	380	-	-	

## Executives and Managers (persons)

		FY2016			FY2017			FY2018			FY2019		
		Total	Male	Female									
Nippon Suisan Kaisha, Ltd.	Executives	22	21	1	23	22	1	25	24	1	24	23	1
	Managers	446	423	23	434	410	24	426	399	27	420	394	26
	Managers in the Departments	173	165	8	166	157	9	169	160	9	174	163	11

## Number of Persons Hired

			FY2016			FY2017			FY2018			FY2019		
			Total	Male	Female									
Number of Persons		ippon Suisan aisha, Ltd.	52	37	15	56	38	18	68	51	17	49	34	15
		New graduates	40	29	11	41	29	12	48	34	14	39	28	11
Hired (persons)		Mid-career hires	12	8	4	15	9	6	20	17	3	10	6	4
	cc	roup ompanies in apan	-	-	-	-	-	-	-	-	-	-	-	-
Reference: Retention rate of new graduates (3 years after employment)	Nippon Suisan Kaisha, Ltd.		90%	89%	90%	100%	100%	100%	95%	97%	92%	88%	86%	91%

## Retirees/Turnover (persons)

				FY2016	6		FY2017	7		FY2018	3		FY2019	)
			Total	Male	Female									
		ippon Suisan aisha, Ltd.	36	33	3	48	42	6	32	25	7	41	33	8
		Personal reasons	15	13	2	16	11	5	16	11	5	26	20	6
Retirees		Company reasons (transfers)	11	11	0	14	14	0	1	1	0	2	2	0
		Others	3	2	1	2	1	1	0	0	0	3	3	0
		Retirement	7	7	0	17	17	0	15	13	2	10	8	2
	cc	roup ompanies in apan	-	-	-	-	-	-	-	-	-	-	-	-
Turnover		ippon Suisan aisha, Ltd.	-	-	-	-	-	-	-	-	-	-	-	-
Rehirees		ippon Suisan aisha, Ltd.	-	-	-	-	-	-	-	-	-	-	-	-

# Number of People with Disabilities

			FY2016	i		FY2017			FY2018			FY2019	
		Total	Male	Female									
Nippon Suisan	Employees with disabilities (persons)	38	-	-	42	-	-	45	-	-	52	-	-
Kaisha, Ltd.	Ratio	1.89%	-	-	2.11%	-	-	2.20%	-	-	2.24%	-	-

## **I** Status of Employees

			FY2016			FY2017			FY2018		FY2019		
		Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
Average	Nippon Suisan Kaisha, Ltd.	42.4	42.6	41.6	42.4	42.6	41.6	42.5	42.7	41.6	42.6	42.9	41.5
age (years of age)	Group companies in Japan	-	-	-	-	-	-	-	-	-	-	-	-
Average years of	Nippon Suisan Kaisha, Ltd.	16.8	16.8	16.6	16.6	16.7	16.2	16.5	16.7	15.9	16.7	16.9	15.8
service (years)	Group companies in Japan	-	-	-	-	-	-	-	-	-	-	-	-
Average yearly salary (thousands of yen)	Nippon Suisan Kaisha, Ltd.	8,072.70	-	-	8,333.80	-	-	8,020.50	-	-	7,994.57	-	-

# Working Hours and Status of Use of Childcare Leave and Other Programs (Only Nippon Suisan Kaisha, Ltd.)

			FY2016			FY2017			FY2018			FY2019	
		Total	Male	Female									
	Total working hours (hours/year)	1,993.1	-	-	1,986.6	-	-	2,014.8	_	-	2,003.0	-	-
Working hours (per	Average overtime hours (hours/month)	16.5	-	-	17.1	-	-	19.3	-	-	19.3	-	-
employee)	Average number of days of paid leave taken (days)	10.9	-	-	11.3	-	-	11.8	-	-	13.1	-	-
	Rate of paid leave taken	56.50%	-	-	58.90%	-	-	64.04%	-	-	68.95%	-	-
	Childcare leave (persons)	22	1	21	22	0	22	19	3	16	19	7	12
Childcare leave	Rate of childcare leave taken	-	-	100%	-	-	100%	-	-	100%	-	-	100%
program	Rate of workers returning to work	100%	100%	100%	100%	-	100%	94.7%	100%	93.8%	100%	100%	100%
Other programs	Nursing care leave (persons)	0	-	-	0	-	-	0	-	-	0	-	-

# Stakeholder Dialogue

Try to solve issues together with our stakeholders This is the essence of the Nissui Group CSR activities.



The Nissui Group, aiming to solve key issues, has been engaged in numerous external communications with stakeholders and promoting activities while reminding ourselves to not become complacent.

## O Stakeholder Dialogue

### | Featured Dialogue



#### Date

June 20, 2019

### Theme

The Merits of a Global Partnership

### **Expert**

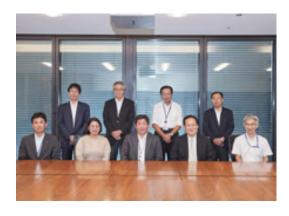


Martin Exel
Seafood Business for Ocean Stewardship
(SeaBOS)
Managing Director

### Opinions from the expert

Please see the following link for the details
Sustainability Report 2019 "Featured Dialogue" (954KB)

### I The 4th Stakeholder Dialogue



#### Date

August 1, 2018

#### **Theme**

Concerning the survey results of the marine resources handled by the Nissui Group, as well as sustainable procurement and combating IUU fishing

**Experts** 



Aiko Yamauchi
Leader
Oceans and Seafood Group
Conservation Division
The World Wide Fund for Nature, Japan (WWF
Japan)



Yoshioki Oozeki, Ph.D.
Senior Adviser
Japan Fisheries Research and Education Agency

### Opinions from the experts

Concerning the Survey Results of Marine Resources Handled by the Nissui Group

- You've put together some fantastic data…going to all that trouble is rare, even globally.
- Close to 40% of the marine resources Nissui procured were marine eco-labeled -certified. This is also meaningful for the operator as a way of validating one's own activities.

Concerning Sustainable Procurement and Combating IUU Fishing

- · Creating a sustainable procurement mechanism that includes suppliers will also be effective in combating IUU fishing.
- Maintaining communications with suppliers will be a way for the company to avoid risk.

### The 3rd Stakeholder Dialogue



### Date

September 5, 2017

### Theme

Sustainability of marine resources and sustainable procurement

**Experts** 



Aiko Yamauchi

Leader
Oceans and Seafood Group
Conservation Division
The World Wide Fund for Nature, Japan (WWF
Japan)



Keiichi Ushijima

Japan CCaSS Leader, Principal Climate Change and Sustainability Services (CCaSS)

Ernst & Young ShinNihon LLC (EY Japan)

### **Opinions from the experts**

- · How to evaluate the impact of issues on future operations and share it with employees in the process of determining key issues.
- The question is what kind of leadership Japanese companies can show in the area of global marine resource management.
- There are cases of forced labor and child labor being involved in the procurement supply chain without the company's knowledge. Human rights violations will be a future management risk.
- · Capacity building of supporting the improvement of a supplier's capabilities helps cultivate a lasting relationship.

### I The 2nd Stakeholder Dialogue



#### Date

September 6, 2016

### **Theme**

Key Issues of the Nissui Group

### **Experts**



Makiko Akabane

Director, Japan
CSR Asia
Advisor
Japan NGO Center for Internation

Japan NGO Center for International Cooperation (JANIC)



Aiko Yamauchi

Leader

Oceans and Seafood Group Conservation Division The World Wide Fund for Nature, Japan (WWF Japan)



Yukiko Furuya

President
Consumer Conference for Sustainability (CCFS)
Standing Advisor
Nippon Association of Consumer Specialists

### **Opinions from the experts**

- A global marine products company requires the perspectives of (1) conservation of the ecosystem, (2) the lives of fishermen and factory workers, (3) humane work styles (e.g. labor conditions) and (4) governance.
- In terms of food education and food loss, it is crucial to maintain a stance of the company solving issues together with the consumer, e.g. by making proposals that take into account the impact of consumer behavior.
- A global perspective is essential when dealing with hunger and food pillaging because of its security aspects.
- Measures are required such as articulating the relationship with SDGs.

### I The 1st Stakeholder Dialogue



#### Date

February 12, 2016

#### Theme

"Nissui Group's business management and CSR"

The type of CSR that the Nissui Group needs to reinforce

#### **Experts**



Eiichiro Adachi
Counselor
Head of ESG Research Center
The Japan Research Institute, Limited



Aiko Yamauchi
Leader
Oceans and Seafood Group
Conservation Division
The World Wide Fund for Nature, Japan (WWF
Japan)



Yukiko Furuya
President
Consumer Conference for Sustainability (CCFS)
Standing Advisor
Nippon Association of Consumer Specialists

### Opinions from the experts

- Product development requires not only the perspective of marketing but also solving social issues.
- "Labor" and the "Environment" are universal issues for the world's seafood processing industry.
- Initiatives toward the resources should satisfy present needs while anticipating future needs.
- The direction which the organization is to take should be articulated (The stance toward initiatives will be called into question).
- The negative impact generated by the business must be disclosed and solutions should be considered.
- Verify the process of monitoring progress together with the stakeholders.

# Comparative Table with GRI Standards

The following table describes data and information related to the items of the GRI standards from the viewpoint of convenience for readers, it doesn't indicate in accordance with the GRI standards.

	Disclosures	Information
	Organization	onal profile
102-1	Name of the organization	Company Overview >
102-2	Activities, brands, products, and services	The Nissui Group's Businesses 🔰
102-3	Location of headquarters	Company Overview >
102-4	Location of operations	Global Network (Japan) > Global Network (Overseas) >
102-5	Ownership and legal form	Company Overview >
102-6	Markets served	The Nissui Group's Businesses >
102-7	Scale of the organization	Annual Securities Report (Japanese) 🚾 IR Library > Summary of Financial Statements 🚾 IR Library > Supplemental Documents 🚾 Company Overview 🔰
102-8	Information on employees and other workers	Personnel/Labor Data >
102-9	Supply chain	The Nissui Group's Businesses > CSR Procurement > Approach to and Systems to Ensure Safety and Security > Initiatives to Ensure Safety and Security > Marine Products Business > Food Products Business > Fine Chemicals Business > General Distribution Business >
102-10	Significant changes to the organization and its supply chain	Annual Securities Report (Japanese) 🖟 IR Library > The briefing session on Financial Result for 2nd Quarter of Fiscal Year 2019 🖟
102-11	Precautionary Principle or approach	Quality Assurance System > Environmental Management > Reducing Environmental Impact > Biodiversity Preservation > Risk Management > The Survey of Procured Marine Resources Sustainability > CSR Procurement >

	Disclosures	Information							
	Stra	tegy							
102-14	Statement from senior decision-maker	Sustainability>Message from the President > President & CEO >							
102-15	Key impacts, risks, and opportunities	Annual Securities Report (Japanese) 🚾  Determination of Key Issues >  Business Risks >							
Ethics and integrity									
102-16	Values, principles, standards, and norms of behavior	Company Profile > Declaration on Action of CSR >							
102-17	Mechanisms for advice and concerns about ethics	Basic policy for Internal Control > Corporate Governance > Compliance >							
	Governance								
102-18	Governance structure	Corporate Governance 5							
102-19	Delegating authority	Corporate Governance > CSR Promotion System >							
102-20	Executive-level responsibility for economic, environmental, and social topics	CSR Promotion System ≥							
102-21	Consulting stakeholders on economic, environmental, and social topics	Quality Assurance Code > CSR Promotion System >							
102-22	Composition of the highest governance body and its committees	Annual Securities Report (Japanese) 🔄 Company Overview & Executive Team >							
102-23	Chair of the highest governance body	Corporate Governance (Extract of Corporate Governance Report)							
102-24	Nominating and selecting the highest governance body	Corporate Governance (Extract of Corporate Governance Report)							
102-25	Conflicts of interest	Corporate Governance (Extract of Corporate Governance Report)							
102-27	Collective knowledge of highest governance body	Corporate Governance (Extract of Corporate Governance Report)							
102-28	Evaluating the highest governance body's performance	Corporate Governance (Extract of Corporate Governance Report)							
102-29	Identifying and managing economic, environmental, and social impacts	Determination of Key Issues > Stakeholder Dialogue >							

	Disclosures	Information							
102-33	Communicating critical concerns	Compliance > Corporate Governance (Extract of Corporate Governance Report)							
102-35	Remuneration policies	Annual Securities Report (Japanese) 🚾							
102-36	Process for determining remuneration	Annual Securities Report (Japanese) 🚾							
102-37	Stakeholders' involvement in remuneration	Annual Securities Report (Japanese) 🚾							
Stakeholder engagement									
102-40	List of stakeholder groups	The Nissui Group's CSR Initiatives > Stakeholder Communication >							
102-42	Identifying and selecting stakeholders	Stakeholder Communication >							
102-43	Approach to stakeholder engagement	Stakeholder Communication > For the Customer > For the Employee > For the Business Partner > Corporate Citizenship >							
	Reporting	g practice							
102-45	Entities included in the consolidated financial statements	Annual Securities Report (Japanese) 🚾							
102-46	Defining report content and topic Boundaries	Determination of Key Issues >							
102-47	List of material topics	Determination of Key Issues ➤ The Vision Targeted in 2030 ►							
102-50	Reporting period	Editorial Policy >							
102-51	Date of most recent report	Editorial Policy >							
102-52	Reporting cycle	Editorial Policy >							
102-53	Contact point for questions regarding the report	Editorial Policy >							
102-54	Claims of reporting in accordance with the GRI Standards	This table							
102-55	GRI content index	This table							
	Managemer	nt approach							
103-1	Explanation of the material topic and its Boundary	Determination of Key Issues >  The Survey of Procured Marine Resources Sustainability >							

	Disclosures	Information							
103-2	The management approach and its components	Determination of Key Issues ➤  The Vision Targeted in 2030 ➤  The Survey of Producred Marine Resources Sustainability ➤							
	Economic P	erformance							
201-1	Direct economic value generated and distributed	Annual Securities Report (Japanese) 🚾							
201-3	Defined benefit plan obligations and other retirement plans	Annual Securities Report (Japanese) 🚾							
Indirect Economic Impacts									
203-1	Infrastructure investments and services supported	Regional Contribution Activities >							
203-2	Significant indirect economic impacts	Participation in the Salmon/Trout Aquaculture Commercialization Test in Iwate Prefecture							
Energy									
302-1	Energy consumption within the organization	Material-Balance >							
	Water								
303-1	Interactions with water as a shared resource	Water Use >							
	Biodiv	ersity							
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Preservation of the "forest, river and sea" > The Forest That Protects Spring Water Nurturing Fish And The Sea >							
304-3	Habitats protected or restored	Preservation of the "forest, river and sea" >							
3013	riadiate proceeded of restored	Biodiversity Preservation >							
	Emiss	sions							
305-1	Direct (Scope 1) GHG emissions	Environmental Data >							
305-2	Energy indirect (Scope 2) GHG emissions	Environmental Data >							
	Effluents a	and Waste							
306-1	Water Discharge by Quality and Destination	Environmental Data >							
	Emplo	yment							
401-1	New employee hires and employee turnover	Personnel/Labor Data >							

	Disclosures	Information						
401-3	Parental leave	Personnel/Labor Data >						
	Occupational He	ealth and Safety						
403-1	Occupational health and safety management system	Labor Safety >						
403-5	Worker training on occupational health and safety	Labor Safety >						
	Training and Education							
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development >						
Diversity and Equal Opportunity								
405-1	Diversity of governance bodies and employees	Corporate Governance (Extract of Corporate Governance Report) —  Annual Securities Report (Japanese) —  Corporate Governance >						
	Local Con	nmunities						
413-1	Operations with local community engagement, impact assessments, and development programs	Regional Contribution Activities >						
	Supplier Socia	al Assessment						
414-2	Negative social impacts in the supply chain and actions taken	CSR Procurement >						
	Marketing a	nd Labeling						
417-1	Requirements for product and service information and labeling	Environmentally-friendly Product Design   Technology for a Tasty Way to Cut Back on Salt						

# **External Recognition**

# O Index/External Recognition

### FY2019

### Index

	Name	Company name	Details	
Index	SNAM Sustainability Index	Nippon Suisan Kaisha, Ltd.	This is an index created by Sompo Japan Nipponkoa Asset Management Co., Ltd. (SNAM). The SNAM Sustainability Index is a proprietary evaluation system that leverages the experience and insight of Sompo Risk Management Inc. (Environmental surveys) and Integrex Inc. (Social and governance surveys).	Member of SNAM Sustainability Index 2019

# External Recognition of Initiatives

	Name	Company name	Details	
Environment	U.S. Environmental Protection Agency (EPA) SmartWay Excellence Award	Gorton's, Inc. (USA)	SmartWay Excellence Award recognizes partners that have been successful in optimizing the environmental performance and efficiency of their freight management operations. Awardees are forerunners leading the way in freight sustainability and have gained recognition by the EPA as pioneers in using less fuel, reducing pollution, and cutting costs. This latest award is Gorton's second from SmartWay, following its first in 2015.	SmartWay® Transport Partnership U.S. ENVIRONMENTAL PROTECTION AGENCY

	Name	Company name	Details	
Social	2020 Health & Productivity Stock Selection	Nippon Suisan Kaisha, Ltd.	The Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) have been jointly selecting exceptional TSE-listed enterprises engaged in health and productivity management in which enterprises focus on and strategically carry out efforts regarding their employees' health from a management perspective as brands under the Health & Productivity Stock Selection program. Basically one company from each industry is chosen from among the companies focusing on employees' health from a management perspective and strategically carrying out efforts toward employee health. Nippon Suisan Kaisha, Ltd. was selected for the second consecutive year in the agriculture, forestry and fisheries industries.	健康経営銘柄 2020
Social	Kurumin Mark Certification	Nippon Suisan Kaisha, Ltd.	Pursuant to the Act on Advancement of Measures to Support Raising Next-Generation Children, companies and the national and the local governments are required to formulate action plans to support the healthy development of next-generation children. The "Kurumin" mark certification is awarded by the Minister of Health, Labour and Welfare to companies that have achieved the targets set forth in the action plan and that have met certain standards. Nippon Suisan Kaisha, Ltd. has been certified by the Minister of Health, Labour and Welfare as a company making efforts to support childcare since May 2010.	2 3 2 € 5 × 4 × 4 × 4 × 4 × 4 × 4 × 4 × 4 × 4 ×
Social	2019 Business Partner of the Year Award (12th Business & Education Summit)	King & Prince Seafood Corp. (USA)	The Business & Education Summit is which sponsored by Georgia Lt. Governor Geoff Duncan and awards companies, educational institutions, and students that have contributed to the expansion of career education and the development of the labor force in the state of Georgia. King & Prince Seafood Corp. was given the award in recognition of its various commitments toward the school, including holding guest lectures by employees, providing counseling sessions to students, participating in the school's strategic plans, recruitment of graduates, in addition to providing financial support.	

