

# Supplier CSR Guidelines

Nichirei Foods Inc.

Dear Business Partners,

In the Nichirei Group, we aim to be a socially-reliable and sincere company by making the Nichirei Group Basic CSR Policy (revised on April 1, 2017) known to all employees including officers and practiced by each employee.

In addition, we established the Nichirei Group Sustainable Supply Chain Policy on April 1, 2017 and have been promoting sustainable procurement activities in cooperation with our business partners.

In order to fulfill even more social responsibility (CSR) in the entire supply chain, we have established the Supplier CSR Guidelines to prescribe the matters considered by our company to be especially significant, in line with global standards.

Through these guidelines, we aim to share basic values between suppliers and the Nichirei Foods Group, building a more beneficial relations through conversation, and collaboratively realizing a sustainable society.

It is hoped that suppliers will understand and cooperate in our vision, and use these guidelines to take positive measures including appeals to the entire supply chains.

October 2020  
Nichirei Foods Inc.

## Nichirei Foods Corporate Concept, Mission, and Vision

### Corporate Concept

The Taste of Happiness

### Corporate Mission

By intimately following the way people live, we provide foods that ensure a healthier, more satisfying world.

### Our Vision

We are increasingly perfecting our skills in order to create new value and establish Nichirei as the world's most trusted name in foods.

To Customers and Business Partners	We approach each customer and partner with honesty and sincerity, to deliver products and services of unique value.
To Employees	We provide a healthy, transparent workplace to ensure open and dynamic communication.
To Society & Investors	We seek to build a global company on a foundation of trust and admiration.

## Employee's Motto and Action Guidelines

### Motto

Hamidas

Japanese term meaning

- (1) Going beyond, with thoughtfulness for fellow workers
- (2) Always challenge yourself
- (3) Discover the joy in working together to exceed expectations

## Action Guidelines

- (1) Abide by all laws and social rules and act in keeping with the highest ethical standers.
- (2) Constantly study people's lifestyles and dietary habits in order to offer new ways to improve people's lives.
- (3) Respect individual differences and work together with open communication.
- (4) Always uphold the Nichirei tradition of honest craftsmanship.
- (5) Work with modesty and humility, constantly challenging yourself to make further improvements.

## Three Promises and Seven Basic Values of Nichirei Foods

### Three Promises for Safety and Security

As the company responsible for first producing frozen foods in Japan, Nichirei Foods stands by three promises, namely, that it will continue to:

- (1) Improve quality control measures.
- (2) Promote product information disclosure.
- (3) Produce new products that leverage the appeal of frozen foods.

### Seven Basic Values

Nichirei Foods acknowledges that its processed foods should be seen as providing consumers with food that is:



## The Nichirei Group Human Rights Policy

Under the Nichirei Group's corporate vision of "continuing to support good eating habits and health by leveraging our state-of-the-art manufacturing practices that optimize nature's bounty, along with our leading-edge logistics services," we create new customer value and contribute to finding solutions to challenges facing our society, in an effort to be an indispensable member of society.

Recognizing that our business processes may have direct or indirect effect on human rights, we have established the Nichirei Group Human Rights Policy (hereafter referred to as the "policy"), based on the United Nations Guiding Principles on Business and Human Rights. This policy guides us in our efforts to fulfill our responsibility to respect the human rights of all the stakeholders of our business.

### 1. Scope

The policy is applicable to all employees and officers of the Nichirei Group. We also require business partners to support the policy and work towards ensuring respect for human rights.

### 2. Basic Principles

In addition to our efforts to promote respect for human rights based on the United Nations Guiding Principles on Business and Human Rights, the Nichirei Group supports and upholds the following international standards:

- The United Nations International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights);
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work; and
- The United Nations General Assembly Resolution: The United Nations Declaration on the Rights of Indigenous Peoples.

### 3. Identification of, Response to, and Disclosure of Issues Related to Human Rights

The Nichirei Group will establish a system of human rights due diligence to identify, prevent, and mitigate any adverse impact on human rights generated by our group in society.

- If any business activities of the Nichirei Group cause an adverse impact on human rights or if it is discovered that the Nichirei Group is involved in causing an adverse impact on human rights through our business transactions with stakeholders and the like, we will take steps to provide a remedy based on internationally recognized processes.

- The Nichirei Group will utilize the expertise and knowledge of independent, external human rights experts in implementing this policy, and engage in earnest dialogue and consultation with stakeholders who may be affected by our business.
- The Nichirei Group will specifically assign officers with responsibility in implementing the policy and monitor implementation of this policy.
- The Nichirei Group will appropriately conduct education and training to ensure that this policy is being effectively implemented across all business activities of the Nichirei Group.
- The Nichirei Group will regularly disclose results of and progress made in our efforts to promote respect for human rights based on this policy.
- The Nichirei Group will comply with all laws and regulations of countries and regions in which we conduct our business activities. Where there is a conflict between national laws/regulations and internationally recognized human rights standards, the Nichirei Group will seek ways to respect international principles of human rights to the maximum extent possible.

## Nichirei Group Sustainable Supply Chain Policy

The Nichirei Group is committed to building a sustainable supply chain. The Group procures products and services in accordance with the following policy and asks suppliers to assent to and comply with this policy.

Legal compliance:	We comply with the laws and social norms of each country and region where we operate.
Fair business practices:	We employ fair, transparent, and impartial business practices.
Human rights:	We respect human rights and provide safe, healthy work environments.
Environment:	We strive to reduce environmental impact and consider the health of the global environment.
Product quality and safety:	We work hard to deliver safe, high-quality products and services.
Information management:	We manage information properly and disclose information related to our business activities in a timely, appropriate manner.
Local communities:	We seek to build close cooperative relationships with local communities, as a good corporate citizen.

Table of Contents

- 1 Legal Compliance..... 8
- 2 Fair Business Practices ..... 8
  - 2-1 Corporate Ethics ..... 8
    - 2-1-1 Management System..... 8
    - 2-1-2 Anti-corruption..... 9
- 3 Human Rights..... 10
  - 3-1 Labor..... 10
    - 3-1-1 Management System..... 10
    - 3-1-2 Freedom of Job Selection..... 11
    - 3-1-3 Labor-management Relations (systems and policies related to labor unions, employee representative plans, group negotiation, etc.)..... 11
    - 3-1-4 Dwelling Facilities ..... 12
    - 3-1-5 Children/Young Workers ..... 12
    - 3-1-6 Wage ..... 13
    - 3-1-7 Working Hours ..... 13
    - 3-1-8 Improper Discrimination and Inhumane Treatment..... 13
    - 3-1-9 Employment..... 14
    - 3-1-10 Mechanism of Disciplinary Measures and Handling of Complaints..... 14
    - 3-1-11 Human Rights ..... 15
    - 3-1-12 Foreign Technical Interns..... 16
  - 3-2 Safety and Health..... 17
    - 3-2-1 Management System..... 17
    - 3-2-2 Safety and Health Training ..... 18
    - 3-2-3 Safety When Emergencies and Fires Occur..... 18
    - 3-2-4 Machinery and Vehicles..... 19
    - 3-2-5 Toxic Substances..... 19
    - 3-2-6 Health of Employees..... 20
    - 3-2-7 Living Environment and Sanitary Conditions ..... 20
- 4 Environment ..... 21
  - 4-1 Environment ..... 21
    - 4-1-1 Environment Management System..... 21
    - 4-1-2 Waste..... 22
    - 4-1-3 Materials ..... 22
    - 4-1-4 Water ..... 23
    - 4-1-5 Pollution..... 23
    - 4-1-6 Emission of Substances Containing Greenhouse Gasses Into the Atmosphere..... 23
    - 4-1-7 Energy ..... 24
    - 4-1-8 Renewable Energy ..... 24
    - 4-1-9 Biological Diversity..... 25
    - 4-1-10 Environmental Impacts of Business Partners ..... 25
- 5 Product Quality and Safety ..... 26
- 6 Information Management..... 26
- 7 Local Communities ..... 26

# 1 Legal Compliance

We comply with the laws and social norms of each country and region where we operate.

The Nichirei Foods group and its business partners comply with the laws and social norms of each country and region where we operate. We do not have any relationship with antisocial forces or groups that threaten public order and safety.

# 2 Fair Business Practices

We employ fair, transparent, and impartial business practices.

The Nichirei Foods group and its business partners employ fair, transparent, and impartial business practices. We build a system to ensure that the company and its employees practice corporate ethics and prevent corruption.

## 2-1 Corporate Ethics

### ■ 2-1-1 Management System

**We maintain a mechanism to manage the practice of corporate ethics and continuously operate it.**

#### <Commentary>

- The corporate ethics management system includes independent policies, processes, and procedures for the company to conduct its business legally, reasonably, and in line with its values and philosophy.

#### <Hints for Practice>

- ◇ In addition to compliance with laws, regulations, and social norms of countries and regions where we operate, we have our own policies (code of conduct, internal rules, etc.) for our employees and stakeholders, and maintain a mechanism to secure effective adherence to them (including monitoring).



- ◇ Policies include the following contents:
  - ✓ Protection of personal information and data
  - ✓ Free and fair competition
  - ✓ Intellectual property rights
  - ✓ Anti-corruption
  - ✓ Risk management and compliance
- ◇ We require our business partners to comply with laws, regulation, and social norms relating to corporate ethics under stipulated policies.

## ■ 2-1-2 Anti-corruption

**We do not engage in corrupt practices. We maintain sound and fair relations with governments, administrative authorities, customers, suppliers, and other parties involved in business.**

### <Commentary>

- Corruption means providing or receiving illegal or improper payments for articles or services (bribery, misconduct, etc.). Examples include “facilitation payments” made to government officials to obtain necessary government approvals and “kick-backs” paid to customers to attain business.
- An anti-corruption program (a series of measures such as formulation, full dissemination, and monitoring and evaluation of a code of conduct and internal rules for anti-corruption) helps protect the company and its employees from these risk of bribery, corruption, etc.

### <Hints for Practice>

- ◇ We have stipulated policies in place to prohibit bribery, corruption, and other misconduct.

# 3 Human Rights

We respect human rights and provide safe, healthy work environments.

The Nichirei Foods group and its business partners respect human rights and provide safe, healthy work environments. In the globalized business environment, we recognize that companies are required to strengthen measures for human rights and labor issues, creating a work environment where each person's human rights are respected and safety and health are secured.

## 3-1 Labor

### ■ 3-1-1 Management System

**We maintain a mechanism to manage labor issues and continuously operate it.**

#### <Commentary>

- The management system includes independent policies, processes, and procedures for a company to achieve its business objectives, and business objectives also include fulfilling our social responsibility.

#### <Hints for Practice>

- ◇ We have our own policies relating to labor issues and human resources management methods and make them well-known to our employees and externally report the situation of management.
- ◇ Policies include the following contents:
  - ✓ Wage
  - ✓ Long working hours
  - ✓ Anti-discrimination
  - ✓ Labor-management relations
  - ✓ Regular employment
  - ✓ Disciplinary measures and handling of complaints
  - ✓ Children and young employees/workers
- ◇ We maintain and operate helplines, whistle-blowing, and other systems for employees and business partners to receive advice and make reports. We preserve the secrecy of whistle-blowers and protect them from any retaliation.
- ◇ We have a place for discussion between management and employees.

## ■ 3-1-2 Freedom of Job Selection

**We guarantee that all labor is voluntary and that workers can freely leave their jobs. We do not engage in forced labor.**

### <Commentary>

- Free selection of job means that workers work voluntarily without any threat of punishment. We do not engage in forced labor, including debt bondage or restrictions on freedom of movement.

### <Hints for Practice>

- ◇ For directly hired employees, we prepare and keep employment agreements signed under mutual agreement between labor and management. We do not keep originals of ID cards or passports of employees either directly or indirectly hired, because doing so may result in restrictions on the freedom of movement, etc. of employees.

### [Term] Forced labor

Forced labor means all labor which is forced under the threat of punishment and not voluntarily offered by workers. Such labor violates fundamental human rights and deprives people of opportunities for education and improvement of occupational skills. This is often related to kidnapping and abduction, physical or mental violence and threats, confinement, human trafficking, and other organized crimes.

## ■ 3-1-3 Labor-management Relations (systems and policies related to labor unions, employee representative plans, group negotiation, etc.)

**We respect the rights of organization and group negotiations by employees.**

### <Commentary>

- This means that employees are allowed to organize labor unions, labor associations, and labor councils/committees and participate in them. The purpose is to enable solid and interactive communication between labor and management.
- Group negotiation is the means for employers and labor union representatives to reach agreements relating to employees' involvement in working conditions, overtime work, grievance procedures, and workplace problems.

### <Hints for Practice>

- ◇ Employees are allowed to join labor unions.

## ■ 3-1-4 Dwelling Facilities

**In providing dwelling facilities for employees, we consider safety and health and appropriateness of prices.**

### <Commentary>

- When employers provide dwelling facilities for employee, they must provide safe and clean dwelling facilities at appropriate prices.

### <Hints for Practice>

- ◇ In addition to providing disaster drills in dwelling facilities, and maintaining clean restrooms and washrooms, we secure safety as residential areas (confirming alarm equipment for incidences of fire and natural disasters, access to clean drinking water, etc.).

## ■ 3-1-5 Children/Young Workers

**We do not employ those under working age.**

### <Commentary>

- Under international labour standards\*<sup>1</sup>, general child labor is defined as recruitment, hiring and employment of workers under the higher of legal minimum age for employment\*<sup>2</sup> or the age of fifteen.
- Young labor is defined as employment of workers of minimum age for employment or higher and under the age of eighteen. Young workers need to be protected from dangerous duties and night or overtime duties, etc.
  - \*1 See ILO Minimum Age Convention of 1973 (No. 138).
  - \*2 See Article 56 of the Labor Standards Law.

### <Hints for Practice>

- ◇ We stipulate policies for prevention and elimination of child labor. In the policies, we mention compliance with international standards and the laws and regulations of countries and regions where we operate, as well as implementation of continuous improvement.
- ◇ For all employees, we confirm and keep copies of documents in which their birth dates can be confirmed (extract forms of family register, ID cards, driver's licenses, diplomas, etc.).

### ■ 3-1-6 Wage

**We satisfy legal requirements for minimum wages, overtime pay, legal benefits, etc. and make proper payments to employees.**

#### <Commentary>

- Wages must be in such amounts that satisfy basic daily needs of employees with some disposable income remaining. If the statutory minimum wages or the amounts of industry standards of countries and regions where we operate do not satisfy the basic needs of employees, employers need to endeavor to pay living wages.

#### <Hints for Practice>

- ◇ There is a procedure to confirm that payment of wages satisfying legal requirements is made.
- ◇ Employees are granted the right to annual paid leave provided in the laws and regulations of countries and regions where we operate.

### ■ 3-1-7 Working Hours

**We appropriately manage working hours and holidays so that they do not exceed legal limits.**

#### <Commentary>

- Socially responsible companies must satisfy standards and legal requirements relating to working hours (both standard/contractual working hours and overtime work), and give workers sufficient rest periods including one holiday per week on average or more.

#### <Hints for Practice>

- ◇ There is a procedure to confirm that working hours and overtime work are in accordance with laws.
- ◇ We grant employees one or more holidays for every seven days or the equivalent thereto.

### ■ 3-1-8 Improper Discrimination and Inhumane Treatment

**We do not engage in improper discrimination in recruitment, employment, promotion, remuneration, training, or other opportunities and treatment. We prohibit harassment, violence, and other inhumane treatment.**

### <Commentary>

- Improper discrimination means that equal opportunities and treatment are not given to particular persons, regardless of the field of employment, based on distinction, exclusion, or preference based on personal or physical characteristics.
- ◆ We prohibit any discrimination in opportunity and treatment based on race, color, nationality, ethnicity, region of origin, age, gender, sexual orientation, gender identity, disability, religion, affiliation to political party, affiliation to unions, marital status, pregnancy, and the like.
- ◆ Inhumane treatment means physical or mental abuse and harassment (including sexual harassment and power harassment). Such treatment harming personal dignity is prohibited not only among employees but also in relations with business partners and client companies.

### <Hints for Practice>

- ◇ We stipulate policies relating to equal opportunity and procedures assuring it.
- ◇ All employees need to receive the same wage for the same duties.

## ■ 3-1-9 Employment

**All employees are in legally admissible employment relationships.**

### <Commentary>

- Employment means that all employees are in legally admissible employment relationships and that every possible effort is made to assure continuous employment.

### <Hints for Practice>

- ◇ Foreign employees need to hold effective documents proving their right to work in Japan and receive wages and associated benefits in accordance with laws.

## ■ 3-1-10 Mechanism of Disciplinary Measures and Handling of Complaints

**We appropriately manage the mechanism for disciplinary measures and handling of complaints so that employees are treated fairly and equally.**

### <Commentary>

- In the mechanism for disciplinary measures and handling of complaints, we ensure that employees are treated fairly and equally, and remind management of the issues affecting the way workers spend daily working hours.

### <Hints for Practice>

- ◇ The mechanism for disciplinary measures and handling of complaints needs to be stipulated.
- ◇ We stipulate the mechanism to handle complaints and to improve treatment of workers and the way they spend their daily working hours, under which we conduct appropriate operations.
- ◇ We widely familiarize relevant workers with the existence of the mechanism for disciplinary measures and handling of complaints.

### **[Term] Mechanism for handling complaints**

A mechanism to improve the situation when corporate activities have negative impacts on human rights. In particular, the mechanism to handle complaints relating to issues of human rights in terms of labor includes hotlines, whistle-blowing, mentor, and other systems. There are all sorts of complaints and consultation relating to human rights, including sexual and power harassments, discrimination in treatment, and long working hours.

We familiarize the relevant people with what complaints can be reported and how, and how complaints are handled, and pay as much attention as possible so that they can report and talk about complaints and concerns without being harassed or retaliated.

## ■ 3-1-11 Human Rights

**Under the policy of respecting human rights, we identify risks of violating them and establish processes to prevent, mitigate, and remedy these risks.**

### <Commentary>

- ◇ Companies are responsible for respecting human rights. In conducting business activities, we need to consider the human rights of employees, consumers, and relevant community members of not only our company but also our business partners. In order to fulfill this responsibility to respect human rights, it is necessary to investigate the causes and backgrounds of human right problems, to appropriately handle the causes of risks, and to make reports to society.

### <Hints for Practice>

- ◇ We have a policy to ensure respect for human rights (a human rights policy or another document such as a code of business conduct with equivalent contents).
- ◇ There are procedures to identify, evaluate, and appropriately correct risks of violating human rights.
- ◇ The process of respecting human rights is for companies to identify, prevent, mitigate, and treat negative impacts on human rights through their business activities or their business relationships, and the process includes:
  - Formulation of human rights policy
  - Evaluation of risks (including potential ones) of violating human rights in value chains
  - Fusion to corporate culture and management system (including remedies such as mechanism for handling complaints), monitoring, and explanation to external stakeholders

## ■ 3-1-12 Foreign Technical Interns

**We ensure that foreign technical interns are employed with consideration given to human rights.**

### <Commentary>

- ◆ When employing foreign workers through the foreign technical intern system of Japan, we ensure appropriate employment conditions and work and life environments as an employer, and correctly grasp the actual conditions of placements, and pay maximum attention to the respect for human rights of interns in vulnerable positions.
- ◆ We acknowledge that employment through the foreign technical intern system may result in forced labor, and take appropriate measures to prevent it.

### <Hints for Practice>

- ◇ We ensure proper employment conditions and living environments for foreign technical interns.
- ◇ We grasp the actual situation of placements, etc. of foreign technical interns we employ.

### **[Term] Foreign technical intern program**

A Japanese program that accepts foreign people from developing countries, etc. for a certain period of time to foster human resources through on-the-job training. It aims to promote economic development of technical interns' home countries by transferring industrial skills, techniques, and knowledge to them. After receiving the Japanese language education and lectures necessary for legal protection, interns learn practical skills under employment with institutions providing training (accepting companies) for a certain period of time. Training is



provided in a variety of fields including agriculture, fisheries, construction, food manufacturing, fibers, clothing, machinery, and metal.

While there are companies providing training in line with the objective of the program, some instances of forced labor have been reported. In the Trafficking in Persons Report annually published by the U.S. Department of State, the actual situation of human traffic and forced labor in various countries in the world are reported, including the problems of this program in Japan. The report mentions cases where, though the program emphasizes practical training, the interns are forced to do simple labor work every day without gaining new skills, and where an employer deprives interns of their freedom of movement and contact by taking control of their passports and personal IDs. These problems of this program have been treated as a human right issue in Japan, and there is a growing call for a response from the international community.

## 3-2 Safety and Health

### ■ 3-2-1 Management System

**We maintain a mechanism to manage safety and health and continuously operate it.**

#### <Commentary>

- The management system includes independent policies, processes, and procedures for the company to achieve its business objectives, and business objectives also include safety and health in workplaces.

#### <Hints for Practice>

- ◇ We conduct safety and health risk assessments. The areas of risk assessment include the following:
  - ✓ Usage of protection equipment
  - ✓ Fire prevention
  - ✓ Toxic substances including chemicals and pesticide (processing, storage, treatment, usage, and disposal)
  - ✓ Vehicular risk
  - ✓ Machine equipment and tools
  - ✓ Manual labor (including operations that involve physical loads such as repeated tasks)
  - ✓ Operations in high places

- ✧ We have safety and health policies, which mention compliance with the laws and regulations of countries and regions where we operate, continuous improvement, and the satisfaction of safety and health standards by all employees and other stakeholders. The policies incorporate matters included in the safety and health risk assessment areas listed above.
- ✧ We appoint senior managers (or safety managers who have received training) responsible for safety and health.
- ✧ If necessary during operations, we supply protection equipment (protective suits, shoes, gloves, ear and eye protection equipment, dust protective masks) to all people working in establishments including all employees.

### ■ 3-2-2 Safety and Health Training

**We conduct safety and health training.**

#### <Commentary>

- It is important in business operations to secure the safety and health of employees. Through safety and health training, employees (including supervisors and managers) learn how to prevent injury and disease in workplaces. Because supervisors and managers are responsible for the safety and health of employees, they need to know how to identify and correct hazards in workplaces. In addition, other employees need to understand safety and health risks in their duties and precautionary measures to safely perform these duties.

#### <Hints for Practice>

- ✧ All employees receive training about safety and health relating to their duties.

### ■ 3-2-3 Safety When Emergencies and Fires Occur

**In anticipation of fire and other emergencies, we prepare emergency measures and make them well-known in workplaces.**

#### <Commentary>

- All companies must prepare for fires and other emergencies. In order to protect the lives and safety of workers and company assets, we must prepare for these emergencies before they occur.

#### <Hints for Practice>

- ✧ Preparatory measures include building emergency report systems, notifying employees, clarification of evacuation methods, provision of disaster drills, installation of emergency exits and escape equipment, fire detection and extinguishing equipment, and preparation of restoration plans.

### ■ 3-2-4 Machinery and Vehicles

**We regularly inspect machinery and vehicles and take appropriate safety measures.**

#### <Commentary>

- In most workplaces, some kind of machinery, tools, or vehicles are used. Safe design, maintenance, and usage of such devices are essential for the safety and health of employees. Whether we use relatively simple machines, complex machines, or vehicles for plants such as forklifts, it is necessary to take all precautionary measures to protect equipment operators and other employees from being injured.

#### <Hints for Practice>

- ✧ We stipulate the processes to safely use machinery, tools, and vehicles. In addition, we regularly inspect them and repair them as needed.

### ■ 3-2-5 Toxic Substances

**We safely use toxic substances with risks eliminated or reduced.**

#### <Commentary>

- Toxic substance means those that may present risks to health, assets, or the environment. When treating, storing, transporting, or disposing of these substances, we must safely handle them with risks eliminated or reduced. In addition, we will make efforts to use substitute materials and reduce usage as much as possible.

#### <Hints for Practice>

- ✧ We identify all chemical substances (including pesticides, fertilizers, and dry cleaning solutions) used in plant/facilities, and store them safely. In addition, we clarify the treatment processes in case of exposure.

### ■ 3-2-6 Health of Employees

**We consider maintenance of the health of employees and provide appropriate health care.**

#### <Commentary>

- Protection of the health of employees leads to not only health and well-being of employees but also sound corporate activities. We support employees in receiving high quality medical services in workplaces and local communities, and take measures to encourage healthy life habits through health programs.

#### <Hints for Practice>

- ◇ We carry out programs to identify risks to employees' health and prevent/reduce them. They include prevention and early detection of diseases through medical examinations, prevention of health hazards due to overwork, and mental health care.

### ■ 3-2-7 Living Environment and Sanitary Conditions

**We maintain a workplace environment where employees are kept safe and can work in sanitary conditions.**

#### <Commentary>

- Maintaining clean and sanitary workplaces leads to safety. Every day, employees spend long periods at their workplaces. It is very important in sound corporate activities to protect employees' health and keep a thoroughly clean working environment.

#### <Hints for Practice>

- ◇ In order to prevent accidents, we secure a clean and well-organized workplace environment, and maintain a sufficient number of restrooms, hand-washing facilities, and so on.

# 4 Environment

We strive to reduce environmental impact and consider the health of the global environment.

The Nichirei Foods group and its business partners strive to reduce environmental impact and consider the health of the global environment. In addition to preventing pollution of the regional environment in manufacturing processes, we promote activities for environmental consideration in resources/energy usage and ecosystem preservation.

## 4-1 Environment

### ■ 4-1-1 Environment Management System

**We maintain a mechanism to manage the environment and continuously operate it.**

#### <Commentary>

- The environment management system includes independent policies, processes, and procedures for the company to fulfil its environmental responsibility.

#### <Hints for Practice>

- ◇ We have environmental management policies, which mention compliance with the laws and regulations of countries and regions where we operate, continuous improvement, and the satisfaction of environmental management standards by all employees and business partners.
- ◇ Policies include the following contents:
  - ✓ Pollution
  - ✓ Water
  - ✓ Biological diversity
  - ✓ Materials
  - ✓ Emissions of greenhouse gasses
  - ✓ Energy and climate
- ◇ We identify and evaluate impacts on the environment of our own business operations.
- ◇ We appoint senior managers (executive officers/directors/plant managers) responsible for environmental management.

## ■ 4-1-2 Waste

**We promote reduction and reuse/recycling of waste.**

### <Commentary>

- Waste means by-products, virgin material from company operations, and garbage. Appropriate waste management programs including reuse, reduction, and recycling of waste to help reduce impacts on the environment as well as costs born by companies.

### <Hints for Practice>

- ◇ We have policies relating to storage, emission, and disposal of waste.

## ■ 4-1-3 Materials

**We strengthen cooperation with our business partners in environmental consideration during procurement of materials.**

### <Commentary>

- Production and procurement of materials such as agricultural products, fishery products, edible meat, eggs, and wood often have serious impacts on the environment of production areas. Such production areas are in the most upstream sectors of supply chains. Together with concerned parties in supply chains, we check the actual situation of production areas (securing traceability) upstream in our supply chains, and promote activities relating to environmental and social consideration.

### <Hints for Practice>

- ◇ We incorporate environmental and social consideration in procurement standards for materials, require our customers to take actions, and request that they submit a self assessment, or carry out an audit.
- ◇ When incorporating environmental and social consideration in procurement standards, we have standard items from the perspectives of legal compliance, corporate ethics, human rights (labor, safety, and health), quality and safety, information management, contribution to communities, and so on, as shown in these CSR Supply Chain Guidelines.

#### [Term] Traceability

This means that we can identify where and how products we are using were produced by tracing back through the distribution processes of products. It sometimes means clarification of how products are consumed and discarded by seeing the production, final consumption, and disposal stages.

## ■ 4-1-4 Water

**We reduce water usage and waste water, and manage them appropriately to minimize negative impacts on the environment.**

### <Commentary>

- Water is essential for almost all businesses whether in plants, farmlands, offices, or food processing facilities. Responsible use of water means limiting water usage as much as possible to minimize the impacts of water usage on the environment, and appropriately managing waste water.

### <Hints for Practice>

- ◇ We will have policies relating to management of water, and manage impacts on water quality and waste water.

## ■ 4-1-5 Pollution

**We prevent pollution of the regional environment due to operations and minimize its impacts.**

### <Commentary>

- Pollution means damage to the environment due to the impacts of mankind and industry. Specifically, it means pollution of soil, water, and atmosphere due to release or emission of harmful substances. Companies must prevent and minimize pollution as much as possible to protect employees and the regional environment.

### <Hints for Practice>

- ◇ We identify and evaluate pollution risks to atmosphere, water, resources, and soil.
- ◇ In order to prevent leakage, outflow, and release of toxic and chemical substances and waste from plants and facilities, we always fully manage pollution sources and make improvements in the maintenance of pollution control equipment, etc.

## ■ 4-1-6 Emission of Substances Containing Greenhouse Gasses Into the Atmosphere

**We appropriately manage emission to the atmosphere of substances causing air pollution and the greenhouse effect.**

### <Commentary>

- Emitted substances are gasses, steam, and fine particles (dust) released to the atmosphere from emission sources such as chimneys, vehicle exhaust, electric generators, and air outlets of facilities. These emitted substances may cause air-pollution and affect the environment and health of employees and local residents.

### <Hints for Practice>

- ◇ We identify emission sources of greenhouse gasses (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, and PFCs), and manage them appropriately. In addition, we measure the amount of emission for continuous improvement.

## ■ 4-1-7 Energy

**We use energy as efficiently as possible.**

### <Commentary>

- Combustion of fossil fuels such as coal, natural gas, and petroleum may adversely affect the climate of the earth. It is important to use energy as efficiently as possible.

### <Hints for Practice>

- ◇ We take measures for reduction of energy usage and set targets.

## ■ 4-1-8 Renewable Energy

**We promote the usage of renewable energy such as wind power, solar power, and water power.**

### <Commentary>

- Most of energy consumption in the world comes from limited fossil fuels such as petroleum, natural gas, and coal. Continued mining and burning of these fossil fuels will lead to not only exhaustion of resources but also environmental pollution and climate change. In these circumstances, companies are required to promote the use of renewable energy to achieve a decarbonized society.

### <Hints for Practice>

- ◇ In transportation and other operations, we promote the usage of renewable energy such as wind power, solar power, and water power.



## ■ 4-1-9 Biological Diversity

**We take measures to maintain biological diversity and soundness of the natural environment.**

### <Commentary>

- Biological diversity means the diversity of the ecosystem, species, and genes on the earth. It is also a gauge to measure the soundness of natural ecological systems. Many companies maintain their business directly or indirectly depending on natural resources. If we fail to maintain biological diversity and soundness of the natural environment, it may have serious impacts on the continuity of our business.

### <Hints for Practice>

- ◇ We plan and implement activities relating to biological diversity in plants and facilities.

## ■ 4-1-10 Environmental Impacts of Business Partners

**We promote environmental activities with our business partners.**

### <Commentary>

- We maintain a mechanism to promote environmental activities with our business partners.

### <Hints for Practice>

- ◇ We have a clear procurement policy to encourage our business partners to have environmental policies and standards (such as ISO 14001, FSC, and MSC).

## 5 Product Quality and Safety

We work hard to deliver safe, high-quality products and services.

The Nichirei Foods group and its business partners work hard to deliver safe, high-quality products and services. We continuously implement PDCA (plan-do-check-act) to secure good quality. In addition, we consider the safety of products and services from their planning to manufacturing, sales, consumption/use, and disposal.

## 6 Information Management

We manage information properly and disclose information related to our business activities in a timely, appropriate manner.

The Nichirei Foods group and its business partners manage information properly and disclose information related to our business activities in a timely, appropriate manner. We recognize the importance of information security and secure appropriate management and protection of personal information of customers and employees, etc. and confidential information of business partners, etc. In addition, we make efforts to disclose information relating to our business activities in a timely and appropriate manner to customers, investors, employees, business partners, local communities, and so on.

## 7 Local Communities

We seek to build close cooperative relationships with local communities, as a good corporate citizen.

The Nichirei Foods group and its business partners seek to build close cooperative relationships with local communities, as a good corporate citizen. We take measures for development of local communities in various aspects, including employee volunteers for resolution of social and environmental issues in communities, cooperation with NPOs and governments, donation, and support when disasters occur.