

Kyokuyo Group

# ESG Databook 2022



# Environment

## Performance Data (Environment)

### Kyokuyo Group's Environmental Targets and Performance (Fiscal 2021)

The Kyokuyo Group is carrying out environmental conservation activities systematically and continuously to meet the following specific items set as group targets while gradually expanding the scope of activities to all business areas.

#### Kyokuyo Group's Environmental Targets and Performance (Fiscal 2021)

Activity	Objective	FY2021 target	Target value	Actual value	Achievement	Site
Saving energy	Reduce CO <sub>2</sub> emissions* <sup>1</sup> (t-CO <sub>2</sub> )	1% reduction from adjusted performance* <sup>2</sup> for FY2020	19,252.8	17,405.3	9.6%	All sites
	Reduce electricity consumption (Thousand kWh)	1% reduction from adjusted performance* <sup>2</sup> for FY2020	33,418.2	30,808.7	7.8%	All sites
	Reduce heavy oil A consumption (kl)	1% reduction from adjusted performance* <sup>2</sup> for FY2020	728.8	619.5	15.0%	Food plants
	Reduce CO <sub>2</sub> intensity (production volume) (kg-CO <sub>2</sub> /t)	1% reduction from adjusted performance* <sup>2</sup> for FY2020	353.7	340.0	3.9%	Food plants
Saving resources	Reduce water consumption (Thousand m <sup>3</sup> )	1% reduction from adjusted performance* <sup>2</sup> for FY2020	420.6	390.6	7.1%	Food plants
	Reduce food waste intensity (production volume) (kg/t)	Cumulative target for FY2021: 66.5 kg/ton	66.5	73.3	(10.2%)	Food plants
Recycling	Increase waste recycling rate (%)	Aim for a waste recycling rate of 92.5%	92.5	92.1	(0.4 p.p.)	Food plants
Biodiversity	Develop new products (products)	Develop 22 environmentally friendly products* <sup>3</sup> (in three segments)	22.0	22.0	100.0%	Office sites (Head Office departments)
Preventing pollution	Reduce and abolish fluorocarbon use	Gather information and examine the validity of long-term capital investment plans	—	Carried out	—	Foods plants, cold storages
Social contribution	Social contribution activities	Select and implement activities at each site	—	Carried out	—	All sites

\*1 CO<sub>2</sub> emissions are aggregated separately by offices, food plants, and cold storage facilities, with the total as the group target.

\*2 "Adjusted performance" indicates figures that are revised with taking various variables (number of people, number of working days, production plan, etc.) into account to previous year's actual performance when deciding targets.

\*3 Environmentally friendly products correspond to those developed from previously unused parts, and products that have been commercialized with MSC and ASC certification.

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

#### Scope of environmental data aggregation

Site	Included in aggregation
Food plants	Shiogama Plant, Hachinohe Plant, and Hitachinaka Plant of Kyokuyo Shokuhin Co., Ltd.; Ohigawa Plant and Souemon Plant of Kyokuyo Suisan Co., Ltd.* <sup>1</sup> ; Kyokuyo Foods Co., Ltd.; Kyokuyo Fresh Co., Ltd.; Kaiyo Foods Co., Ltd.; Ibusuki Shokuhin Co., Ltd.; and Kyokuyo Research and Development Division Laboratory
Cold storage	Jonanjima Site, Tokyo Site, and Fukuoka Site of Kyokuyo Akitsu Reizo Co., Ltd.; and Cold Storage Section of Kyokuyo Suisan Co., Ltd.
Offices	Head Office and branch offices of Kyokuyo Co., Ltd.; Kyokuyo Sougou Service Co., Ltd.; Kyokuyo Shoji Co., Ltd.; Integrate System Service Co., Ltd.

\*<sup>1</sup> For Kyokuyo Suisan Co., Ltd., the Cold Storage Section is included in the aggregation for cold storage sites.

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

# Environment

## Evaluation of Compliance with Environmental Legislation (Fiscal 2021)

In FY2021, our Group recorded one accident that had a major impact on the environment. This accident was a fluorocarbon leak. In the category of compliance with environmental laws and regulations, one warning was received from government authorities in relation to the quality of plant wastewater. However, we have resolved this issue by completing corrective measures and filing a report.

## Environmental Accounting

The Kyokuyo Group monitors cost-effectiveness by quantitatively managing environmental conservation initiatives from the viewpoint of cost, in the belief that this helps in making more efficient and rational decisions. When disclosing environmental conservation costs, we take the needs of various stakeholders into consideration and report the information in accordance with the Environmental Guidelines issued by Japan's Ministry of the Environment so that it can be compared with other companies.

### Kyokuyo Group's environmental conservation costs (Fiscal 2021)

(Thousand yen)

Top figure: FY2021 data Bottom figure: FY2020 data

Category	FY2021 Group total		FY2021 breakdown: Food plants		FY2021 breakdown: Cold storage		FY2021 breakdown: Offices		
	Investment	Expense	Investment	Expense	Investment	Expense	Investment	Expense	
Costs in business areas	35,480 289,755	336,608 282,429	18,397 75,846	279,881 232,840	17,083 213,862	53,734 47,016	0 47	2,993 2,573	
Breakdown	Pollution prevention costs	5,139 31,404	72,168 64,249	5,139 31,404	72,168 64,249	0 0	0 0	0 0	
	Global environmental conservation costs	30,341 249,909	153,127 128,560	13,258 36,047	98,148 80,380	17,083 213,862	53,010 46,403	0 0	1,969 1,777
	Resource recycling costs	0 8,442	111,313 89,620	0 8,395	109,565 88,211	0 0	724 613	0 47	1,024 796
Upstream and downstream costs	0 0	66 58	0 0	26 28	0 0	0 0	0 0	40 30	
Management activity costs	0 0	6,394 4,963	0 0	6,394 4,963	0 0	0 0	0 0	0 0	
R&D costs	2,770 0	0 0	2,770 0	0 0	0 0	0 0	0 0	0 0	
Social activity costs	0 27	75 391	0 27	75 386	0 0	0 0	0 0	0 5	
Environmental damage remediation costs	0 886	13,872 14,454	0 886	5,907 4,913	0 0	7,952 9,528	0 0	13 13	
Total	38,250 290,668	357,015 302,295	21,167 76,759	292,283 243,130	17,083 213,862	61,686 56,544	0 47	3,046 2,621	
Change (FY2021 – FY2020)	(252,418)	54,720	(55,592)	49,153	(196,779)	5,142	(47)	425	

[Costs in business areas]

Environmental conservation costs to reduce the environmental impact of our main business activities in our business areas are classified into the following three categories.

Pollution prevention costs: Costs of initiatives related to pollution prevention

Global environmental conservation costs: Costs for global warming prevention, ozone layer protection, and other global environmental conservation

Resource recycling costs: Includes the cost of reducing and recycling waste, as well as the appropriate disposal costs for industrial waste

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

# Environment

## Gain on sale of valuables – Food plants –

	FY2019	FY2020	FY2021
Food plants: Gain on sale (Thousand yen)	19,439	19,247	16,646

Some waste and crushed products generated in business activities are profitable as they can be sold as goods with recyclable value. Sorting is an important activity that helps to reduce waste and improve recycling rates, and leads to reductions in expenses and product costs.

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Energy costs and business activities

(Thousand yen)

Energy costs	FY2020 performances	FY2021 performances	Variance (FY2021 – FY2020)
Electricity	317,403	354,865	(37,462)
Heavy oil	31,782	47,090	(15,308)
Gasoline	690	889	(199)
Diesel	657	1,029	(372)
Kerosene	1,602	1,803	(201)
LPG	9,355	21,709	(12,354)
City Gas	28,536	33,165	(4,629)
Total	390,025	460,550	(70,525)

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

\* An error in the FY2020 data has been corrected.

## Costs related to resources and business activities

(Thousand yen)

Cost of resource-saving activities	FY2020 performances	FY2021 performances	Variance (FY2021 – FY2020)
City water	60,979	68,542	(7,563)
OA paper	1,104	1,121	(17)
Waste disposal consignment	84,487	105,457	(20,970)
Wastewater treatment	51,904	57,349	(5,445)
Use of detergents and sanitizer	33,250	34,324	(1,074)
Total	231,724	266,793	(35,069)

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Business activities and environmental impact (FY2021) – Group total –

### INPUT

#### Raw materials\*

Primary and secondary raw materials (t)	40,065
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\* Raw materials are actual figures for food plants.

#### Energy

Purchased electricity (Thousand kWh)	30,809
Heavy oil A (kl)	619.5
Gasoline (kl)	67.0
Diesel (kl)	10.2
Kerosene (kl)	19.2
LPG (m <sup>3</sup> )	76,400
City Gas (m <sup>3</sup> )	476,100
Total energy (GJ)	364,256
Crude oil equivalent (kl)	9,398

#### Water resources

Water supply (m <sup>3</sup> )	177,000
Industrial water (m <sup>3</sup> )	91,000
Groundwater (well water) (m <sup>3</sup> )	139,000
Total water resources (m <sup>3</sup> )	407,000

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

### OUTPUT

#### Emissions to the atmosphere

CO <sub>2</sub> emissions (t-CO <sub>2</sub> )	17,405
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#### Waste

Food waste (t)	2,778
Other waste* (t)	4,116
Total waste (t)	6,894

\* Other waste includes general waste that can be measured at all sites.

#### Recycling

Amount recycled (t)	6,345
Final disposal amount (t)	549

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

# Environment

## Electricity consumption – Group total –

Site	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (Thousand kWh)	17,353	18,903	19,017	19,374	20,570
Cold storage (Thousand kWh)	12,032	11,272	9,070	8,857	8,925
Offices (Thousand kWh)	1,304	1,331	1,285	1,359	1,314
Total (Thousand kWh)	30,690	31,506	29,372	29,590	30,809
Electricity consumption intensity* <sup>1</sup> (Thousand kWh/t)	0.55	0.56	0.53	0.53	0.54

\*<sup>1</sup> The scope of electricity consumption intensity is only for food plants.

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## CO<sub>2</sub> emissions – Group total –

Site	FY2017	FY2018	FY2019	FY2020	FY2021
Food plants (t-CO <sub>2</sub> )	12,672	13,073	12,699	12,764	12,904
Cold storage (t-CO <sub>2</sub> )	5,968	5,416	4,274	3,700	3,757
Offices (t-CO <sub>2</sub> )	899	870	841	762	744
Total (t-CO <sub>2</sub> )	19,539	19,359	17,814	17,226	17,405
CO <sub>2</sub> emissions intensity* <sup>1</sup> (t-CO <sub>2</sub> /t)	0.40	0.39	0.36	0.35	0.34

\*<sup>1</sup> The scope of CO<sub>2</sub> emissions intensity is only for food plants.

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

\* Errors in the FY2017-20 data have been corrected.

## Total energy input (kl)

Site	FY2019	FY2020	FY2021
Food plants	6,208	6,284	6,698
Cold storage	2,334	2,279	2,296
Offices	408	405	404
Total	8,950	8,968	9,398

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

\* Errors in the FY2019-20 data have been corrected.

## CO<sub>2</sub> emissions from transportation

	FY2019	FY2020	FY2021
CO <sub>2</sub> emissions from transportation (t-CO <sub>2</sub> )	7,929	8,130	7,310

\* Uses a deemed value, in accordance with the Ministry of Economy, Trade and Industry's notice "Method of calculating the energy consumption in freight transportation consigned to freight carriers of energy use in such freight transportation"

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Energy intensity (MJ/t)

Site	FY2019	FY2020	FY2021
Food plants	6,742	6,632	6,848
Cold storage	92	97	98

\* Total production for food plants, and income tons for cold storage

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

\* Errors in the FY2019-20 data have been corrected.

## Fluorocarbon emissions (leakage)

	FY2019	FY2020	FY2021
Fluorocarbon emissions (leakage) (kg)	245	116	370

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

# Environment

## Water consumption – Food plants –

	FY2017	FY2018	FY2019	FY2020	FY2021
Water usage (m <sup>3</sup> )	325,669	346,856	355,442	355,983	390,620
Water usage intensity (m <sup>3</sup> /t)	10.31	10.28	9.96	9.69	10.30

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Water consumption (by water consumption source; FY2021) – Food plants –

(m<sup>3</sup>)

	Kyokuyo Shokuhin (Shiogama Plant)	Kyokuyo Shokuhin (Hachinohe Plant)	Kyokuyo Shokuhin (Hitachinaka Plant)	Kyokuyo Fresh	Kaiyo Foods	Kyokuyo Foods	Kyokuyo Suisan (Ohigawa Plant)	Kyokuyo Suisan (Souemon Plant)	Ibusuki Shokuhin	Total
Water supply	4,215	24,778	18,185	36,042	276	57,013	473	88	20,238	161,308
Industrial water	90,250	—	—	—	—	—	—	—	—	90,250
Well water	—	38,528	23,192	—	27,117	—	36,306	13,919	—	139,062
Total	94,465	63,306	41,377	36,042	27,393	57,013	36,779	14,007	20,238	390,620

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Drainage destinations

Kyokuyo Shokuhin (Shiogama Plant)	Kyokuyo Shokuhin (Hachinohe Plant)	Kyokuyo Shokuhin (Hitachinaka Plant)	Kyokuyo Fresh	Kaiyo Foods	Kyokuyo Foods	Kyokuyo Suisan (Ohigawa Plant)	Kyokuyo Suisan (Souemon Plant)	Ibusuki Shokuhin
Sewer	River	River	Sewer	Sewer	River	River	River	Wastewater (facilities belonging to a cooperative)

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Production volume, food waste output and intensity – Food plants –

	FY2017	FY2018	FY2019	FY2020	FY2021
Production Volume (t)	31,577	33,751	35,687	36,726	37,909
Food waste output (t)	2,437	2,310	2,402	2,771	2,778
Food waste intensity (kg/t)	77	68	67	75	73

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

## Waste recycling rate – Food plants –

	FY2019	FY2020	FY2021
Waste recycling rate (%)	91.7	92.5	92.1

\* All wastes, including food waste

\* From FY2021, the data includes Ibusuki Shokuhin Co., Ltd.

# Social

## Employee Data

### Employees

	FY	Total	Men	Women
Number of employees	2019	664	500	164
	2020	682	510	172
	2021	695	513	182
Average age	2019	40 yrs. 2 mo.	41 yrs. 11 mo.	35 yrs. 11 mo.
	2020	40 yrs. 5 mo.	42 yrs. 3 mo.	36 yrs. 1 mo.
	2021	40 yrs. 7 mo.	42 yrs. 5 mo.	36 yrs. 5 mo.
Length of service	2019	15 yrs. 11 mo.	17 yrs. 7 mo.	10 yrs. 9 mo.
	2020	16 yrs. 1 mo.	17 yrs. 10 mo.	10 yrs. 11 mo.
	2021	16 yrs. 4 mo.	18 yrs. 2 mo.	11 yrs. 2 mo.
Average annual salary (yen)	2019	6,971,941	-	-
	2020	6,974,126	-	-
	2021	7,134,548	-	-
Average number of temporary employees	2019	75	-	-
	2020	85	-	-
	2021	84	-	-
Number of consolidated employees	2019	2,307	-	-
	2020	2,313	-	-
	2021	2,208	-	-

### Recruitment of new graduates

(Persons)

	Total	Men	Women
Joined in April 2019	20	17	3
Joined in April 2020	30	19	11
Joined in April 2021	31	19	12
Joined in April 2022	33	16	17

### Mid-career recruitment

(Persons)

	Total	Men	Women
April 2019 – March 2020	4	3	1
April 2020 – March 2021	2	1	1
April 2021 – March 2022	1	0	1

### Employee age distribution (as of March 31, 2022)

(Persons)

	Total	Men	Women
Under 30 y.o.	185	123	62
30 – 39 y.o.	167	96	71
40 – 49 y.o.	140	104	36
50 – 59 y.o.	198	185	13
60 y.o. or over	5	5	0
Total	695	513	182

\* Number of employees hired (not including contract employees)

### Status of promotion to managerial positions (as of March 2022)

(Persons)

	Men	Women	Non-Japanese
Managers	313	31 (9.01%)	0
Of which, general managers and higher	25	0(0%)	0
Directors	14	2 (12.5%)	0

\* "Managers" means supervisors and higher ranks

\* "General managers and higher" means branch managers, laboratory directors, and general managers

\* "Directors" means the number of Directors of the Board and Supervisory Board Members

\* Figure in parentheses is percentage of women

### Number of employees who left the company

(from April 1, 2021 to March 31, 2022)

(Persons)

	Total	Early	Voluntary	Involuntary	Transfer	Other
Men	14	0	7	0	3	4
Women	4	0	4	0	0	0
Total	18	0	11	0	3	4

### Number of re-employed employees

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of re-employed employees	0	0	0	0	1

### Employment of persons with disabilities

	FY2017	FY2018	FY2019	FY2020	FY2021
Actual number of people	6	7	9	10	11
Employment rate of persons with disabilities (%)	1.26	1.49	1.89	1.99	2.13

\* Statutory employment rate: 2.3%

# Social

## Paid leave

	FY2017	FY2018	FY2019	FY2020	FY2021
Days granted	11,365	12,040	12,515	12,976	13,100
Days taken	5,530	5,686	6,527	5,995	6,401
Utilization rate	48.7	47.2	52.2	46.2	48.9

## Childbirth and parental leave

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees taking maternity leave	2	10	12	11	8
Number of employees taking parental leave	5	9	9	11	14
Of which, number of men	1	1	0	2	4
(Number of employees taking leave of up to one week)	0	1	0	2	3
Rate of employees returning to work from parental leave (%)	100	89	100	100	100

\* Employees taking maternity and parental leave are counted in the fiscal year in which the leave begins.

## Shorter Working Hours for Childcare System

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees using the Shorter Working Hours for Childcare System	21	26	23	23	33

## Labor union enrollment rate (as of March 31, 2022; Kyokuyo only)

	FY2017	FY2018	FY2019	FY2020	FY2021
Labor union enrollment rate (%)	46.48	47.39	47.32	46.57	45.97

\* Number of labor union members ÷ (number of full-time employees + number of part-time and contract employees)

## Number of occupational accidents

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of accidents causing lost worktime	7	4	4	4	2

## Number of employees taking mental health leave

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of employees taking leave	1	3	0	1	0



# Governance

## Board of Directors, Board of Auditors

	FY2017	FY2018	FY2019	FY2020	FY2021
Number of directors	11	12	12	11	12
Of which, number of external directors	2	2	2	2	4
Of which, number of female directors	1	1	1	2	2
Proportion of independent directors (%)	18.2	16.7	16.7	18.2	33.3
Proportion of female directors (%)	9.1	8.3	8.3	18.2	16.7
Number of Auditors	4	4	4	4	4
Number of Board of Directors meetings	16	16	16	16	17
Number of Board of Auditors meetings	6	6	13	14	13
Attendance rate at Board of Directors meetings (%)	99.2	98.8	99.6	98.8	99.6
Attendance rate at Board of Auditors meetings (%)	100.0	100.0	100.0	100.0	100.0

## Nomination and Remuneration Committee

	FY2017	FY2018	FY2019	FY2020	FY2021
Nomination and Remuneration Committee (number of company personnel)	—	—	—	—	1
Nomination and Remuneration Committee (number of external personnel)	—	—	—	—	2
Total	—	—	—	—	3
Number of Nomination and Remuneration Committee meetings	—	—	—	—	2
Attendance rate Nomination and Remuneration Committee meetings (%)	—	—	—	—	100.0

\* The Nomination and Remuneration Committee was established in FY2021. The committee debated remuneration at a June 2021 meeting and nomination at a March 2022 meeting.

## Number of briefing meetings

	FY2017	FY2018	FY2019	FY2020	FY2021
IR Presentation	2	2	2	2	2

## Number of meetings of various committees

	FY2017	FY2018	FY2019	FY2020	FY2021
Environmental conservation committee*	2	2	2	2	2
Internal audit committee	9	7	8	5	6

\* Environmental Conservation Committee changed its name to Sustainability Committee in FY2022.