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Special Feature

## Formulating medium- to long-term environmental targets

Recently, there have been many natural disasters that are thought to have been caused by climate change. If this trend continues, we can expect there to be an even greater impact on society and the NH Foods Group's business. As a group that delivers the *Joy of Eating* by receiving the blessings of nature and nurturing life, we are fulfilling our social responsibilities to contribute to the conservation of the global environment by setting and working to achieve medium- to long-term targets.

### Medium- to long-term targets for 2030

We have been setting environmental targets in our three-year medium-term management plans with the aim of reducing the environmental impact of business activities. This year, when we formulated Vision 2030 and our Five Materialities (key issues), we focused on formulating them with a medium- to long-term perspective which included setting new medium- to long-term targets to be achieved by 2030. One of the Five Materialities is "Contributing to a sustainable environment." Based on this, we have made addressing climate change, resource saving and recycling, and tackling the biodiversity issue into priority issues and have set targets for each one.

⇒ Results of activities to achieve the environmental targets in Medium-term Management Plan 2020 can be found on p.25.



### Message from the General Manager of the Corporate Planning Division

#### We will fulfill our environmental responsibilities by combining efforts to reduce the impact of each business and site with research and development focused on new technologies.

Out of our three priority issues, we recognize that responding to climate change is the most pressing. Since 2020, we have seen the full-scale launch of efforts under the Paris Agreement, which requires efforts to keep the rise in average global temperatures well below 2 degrees of pre-industrial levels, and controlling it to below 1.5 degrees. In order to meet this target, the Japanese government has pledged to achieve net zero greenhouse gas emissions by 2050. Taking into account that potential future measures for achieving this, such as the introduction of a carbon tax, will have an impact on the Group's finances and business operations. We are advancing group-wide awareness raising activities that encourage each business division and site to actively work towards reducing emissions.

Furthermore, in regard to handling waste and water resources, we think that to achieve our targets in 2030 and beyond, it will be crucial to not only carry out conventional activities aimed at reduction, but also to develop new technologies that provide fundamental solutions. Therefore, our Engineering Department, which is responsible for the design and construction management of facilities and equipment, will be even more involved in developing measures to reduce environmental impact. We also recognize that we must take responsible action to limit greenhouse gas emissions caused by livestock. In Japan, we are working with universities to advance joint research on the intestinal flora of pigs and its relationship to greenhouse gas emissions. We will work to help making the environment beneficial for the economy by striving to reduce the impact of each business and site while at the same time advancing research and development into new technologies. Our aim is to realize a virtuous environmental and economic cycle that vitalizes the economy while improving the environment.

**Fumio Maeda**

Director and Managing Executive Officer, General Manager of Corporate Planning Division (in charge of sustainability)





## Formulating medium- to long-term environmental targets

### Medium- to long-term targets (to fiscal 2030)

Priority issue	Target	Scope
Responding to climate change	Reduce fossil fuel-derived CO <sub>2</sub> emissions <b>by more than 46%</b> compared to FY2013 levels (FY2013: 550,518 t-CO <sub>2</sub> → <b>FY2030: 297,279 t-CO<sub>2</sub></b> )	All business sites in Japan
	Strive to create innovative technologies by advancing and supporting research and development aimed at reducing livestock-derived greenhouse gas emissions	
Saving and recycling resources	Reduce waste discharge per production unit <b>by 5%</b> compared to FY2019 levels (FY2019: 134.6 kg/t → <b>FY2030: 127.9 kg/t</b> )	All processing and production sites in Japan (55 sites)
	Increasing the waste recycling rate Increasing the waste recycling rate to <b>more than 92%</b> (FY2019 rate: 84.1%)	All business sites in Japan
	Reduce water consumption Reduce waste consumption per production unit <b>by 5%</b> compared to FY2019 levels (FY2019: 15.2 m <sup>3</sup> /t → <b>FY2030: 14.4 m<sup>3</sup>/t</b> )	All processing and production sites in Japan (55 sites)
	Action on water risk Identify which of our business sites in both Japan and overseas are in regions with high levels of water risk, take action to lower this risk in accordance with the situation in each region, and use water resources in a sustainable manner	All production, processing, and manufacturing sites in Japan and overseas
Addressing biodiversity	Realize sustainable resource procurement by handling certified products <ul style="list-style-type: none"> <li>● <b>Ensure that 100% of palm oil used is RSPO certified</b> (including book &amp; claim)</li> <li>● Increase the number of seafood products that are certified (MSC/ASC)</li> </ul>	Certified palm oil: Business sites in Japan and overseas

### Initiatives to achieve targets

We are working to reduce CO<sub>2</sub> emissions by switching to fuels that produce relatively low CO<sub>2</sub> emissions at our plants, such as natural gas, and by promoting the use of renewable energy (such as solar power and boilers that use animal and plant-derived oil as fuel).

We are reducing the amount of waste discharge we produce by advancing initiatives that target sources of waste in each process, from production and manufacturing through to logistics and marketing, and we are working to increase the proportion of plastic waste that is recycled.

We are reducing water consumption by decreasing the amount of water used in manufacturing processes through methods such as reviewing washing methods, and we are also considering measures such as reusing water.

We are also working to tackle the biodiversity issue by promoting sustainable resource procurement in order to conserve biodiversity. We have switched to RSPO certified products for palm oil, and we are working to expand the number of certified seafood products we handle.

Additionally, the targets we have set for reducing CO<sub>2</sub> emissions, reducing waste discharge, raising waste recycling rates, and reducing water consumption are for Japan only. For overseas business locations, we will gather further data for each location and consider how to respond.

⇒ Details concerning each initiative can be found on pp.24-36