

Basic policy

ESG initiatives on the theme of sustainability

There has been a growing call for companies to tackle social issues through their business activities. Within this environment, the NH Foods Group is pursuing sustainability by implementing a variety of ESG (Environmental, Social, Governance) initiatives.

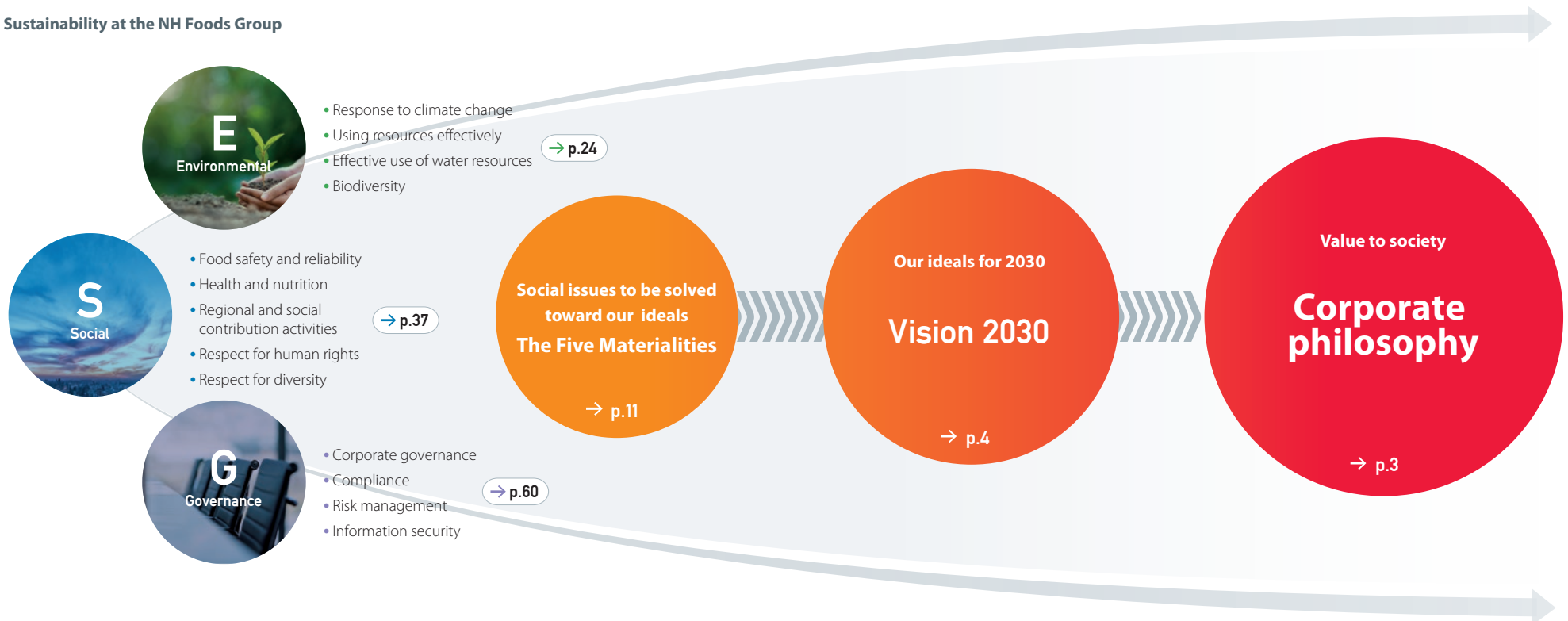
We also recognize that we are expected to play a role in achieving the SDGs, so we are advancing activities aimed at solving issues related to each of these goals.

In April 2021, we formulated Vision 2030 (→p.4), which outlines our ideals for 2030, as well as Five Materialities (key issues) (→p.11) which are initiatives that need to be engaged as a priority in order to realize our vision. We will implement our business strategy and materialities in a way that also advances our sustainability strategy so that we can contribute to solving social issues through our business.

The Group's activities to date have been carried out in accordance with our corporate philosophy of creating a culture

that marks an epoch and contributes to society under the basic theme of *Joy of Eating*. Going forward, we will continue to create a variety of eating occasions and contribute to the formation of a sustainable society.

Sustainability at the NH Foods Group



Sustainability promotion framework

Discussion of policies and key issues by the Sustainability Committee

The NH Foods Group has established a Sustainability Committee (called the CSR Promotion Committee until April 2020) with the president of NH Foods Ltd. serving as chair. In principle, the committee meets at least once every quarter in order to hear the opinions of external experts and outside directors who have expertise in ESG matters and to carry out activities such as formulating sustainability policies and strategies, and checking the progress being made by each Group company. The details of these discussions are reported to the Board of Directors, which makes decisions if necessary. Matters discussed in FY2020 included medium- to long-term environmental targets,

materialities, human rights policy, and the Task Force on Climate-related Financial Disclosures (TCFD).

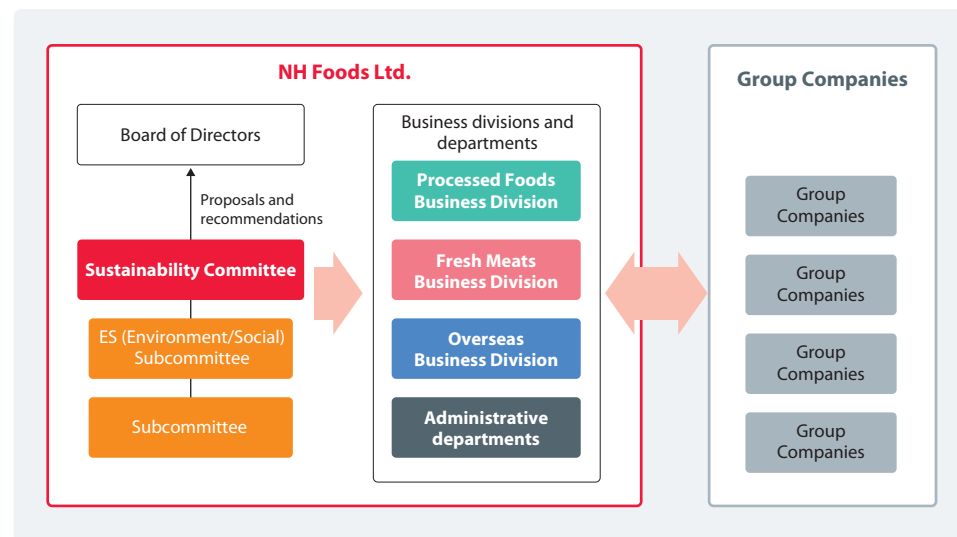
The ES (Environment/Social) Subcommittee operates under the committee and comprises the director in charge of sustainability and the heads of major departments and divisions. It has been tasked with formulating specific strategies that correspond to discussions by the committee and developing measures to be carried out by business divisions. In FY2020, activities included screening potential social issues during the process of defining materialities and considering measures and targets for these issues.

The Subcommittee considers specific details and carries out promotional activities related to important CSR procurement themes.

Promotion system

Organization entity	Role	Organization	Frequency
Sustainability Committee	Develop the Group's sustainability policy and determine strategy	<ul style="list-style-type: none"> Director Outside Director General Manager of Business Division Audit & Supervisory Board Member / Outside experts 	4 times / year
ES (Environment / Social) Subcommittee	Formulate specific strategies that correspond to discussions by the committee and develop measures to be carried out by business divisions	<ul style="list-style-type: none"> Director in charge of sustainability Head of departments and sections 	4 times / year
Subcommittee (CSR Procurement Taskforce)	Consider specific details and carry out promotional activities related to important CSR procurement themes	<ul style="list-style-type: none"> Procurement personnel 	4 times / year

Sustainability promotion framework

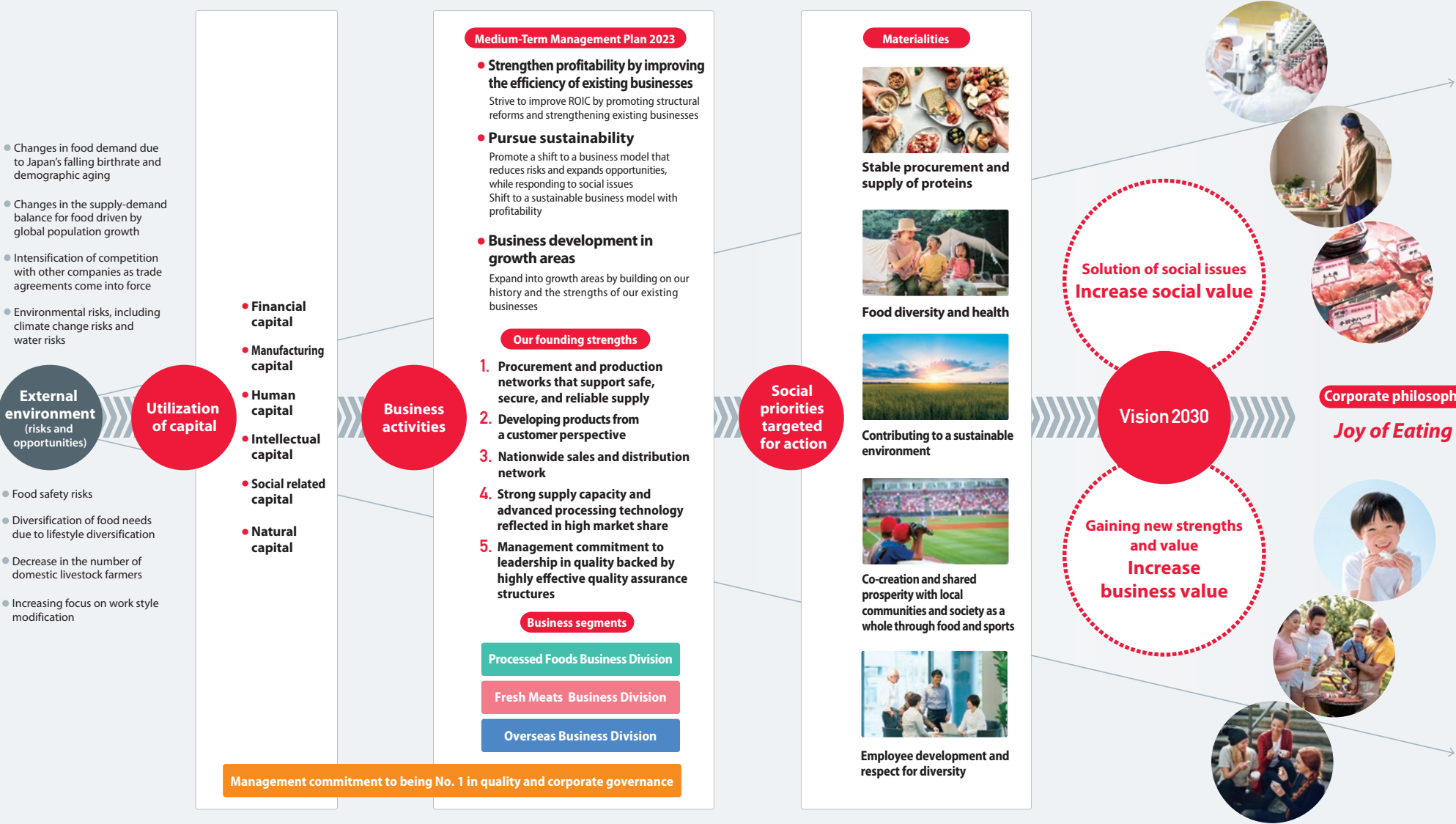


Members of the Sustainability Committee (as of June 2021)

Position/organization and role	Name	Role
President and Representative Director	Yoshihide Hata	Committee chairperson
Representative Director and Executive Vice President	Tetsuhiro Kito	Committee member
Representative Director and Executive Vice President	Nobuhisa Ikawa	Committee member
Director and Managing Executive Officer	Fumio Maeda	Committee member
Director and Executive Officer	Masahito Kataoka	Committee member
Director (Outside)	Yasuko Kono*	Committee member
Director (Outside)	Atsushi Iwasaki*	Committee member
Director (Outside)	Hideo Arase*	Committee member
Managing Executive Officer	Nobuo Oda	Committee member
Executive Officer	Kohei Akiyama	Committee member
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki	Observer
Professor, Waseda Graduate School of Business and Finance	Shigeru Nishiyama	Committee member
General Manager, CSR & Global Environment Center, Daikin Industries, Ltd.	Satoru Fujimoto	Committee member
Executive, Nissan Financial Services Co., Ltd.	Keiko Tanaka	Committee member
President, Cre-en Inc.	Ayako Sonoda	Observer

* Independent officers

Value creation process



Stakeholder engagement

The NH Foods Group carries out business activities with the support of a wide range of stakeholders, including customers, local residents, business partners, shareholders, investors, and our employees.

We work to meet the expectations and maintain the trust of these stakeholders by fulfilling our social responsibilities and duties with self-awareness and pride.

Communicating with our key stakeholders

Stakeholder	Objective	Channels and opportunities
Consumers	We believe it is our responsibility to provide our customers with high quality offerings for safety, reliability, satisfaction, and happiness. We also aim to achieve customer satisfaction through a cycle of customer-oriented communication that comprises "listening," "knowing," and "using."	Customer Support Desks / Consumer Delegate Committee / customer surveys (quantitative and qualitative) / social media / plant tours / various events and seminars
Business partners	Our procurement activities are rooted in our CSR procurement policy. We intend to establish relationships of trust with our business partners and work with them to realize co-existence and mutual prosperity.	Daily business activities / Self-Assessment Questionnaires (SAQ)
Governments	We intend to comply with the laws and regulations of each of the countries and regions we operate in, actively exchange information with governments, and develop our business. If we realize that accidents have occurred, or if we think there is a risk that accidents might occur, we will report this to the relevant authorities and work hard to investigate to identify the causes.	Participation in various committees hosted by governments and industry groups / catering to laws and regulations / dialogue with government officials
Shareholders and other investors	In order to establish relationships of trust with our shareholders and other investors, we place great importance on communication and try to ensure that we incorporate the opinions and requests we receive into our corporate activities.	Shareholders' meeting / Analyst Meeting for Business Results / dialogue with institutional investors / dialogue with individual investors / IR information / release of various reports
The global environment	Our goal is to protect the life-giving natural environment and to fully enable the bounty of nature to flourish. To this end, we intend to promote corporate activities that are in harmony with the environment, based on the NH Foods Group Environmental Policies.	Promotion of environmental management / environmental conservation activities / environmental impact reduction activities / visualization of environmental impact
Employees	We aim to establish "a place where employees can feel truly happy and fulfilled." We are also engaged in activities that seek to develop employee awareness and skills, realize a healthy work-life balance, promote diversity, and maintain healthy minds and bodies.	Human resources development / company newsletters and Intranet / NH Foods Group consultation desks / employee engagement surveys / dialogue between labor and management
Local communities	As both a member of local communities and a good corporate citizen, the NH Foods Group aims to actively engage in communication that contributes to sustainable regional development. We also intend to consider both what we can do and what is expected from us, so we can exist in harmony with local communities.	Participation in and donations to community events / participation in local volunteer activities / factory tours / nature conservation activities / food education activities / sports classes
Societies worldwide	We seek to accurately understand international rules, as well as the laws, histories, cultures, and customs of the various countries and regions we operate in. We intend to work hard to comply with and respect these.	Participation in international and industry organizations



Fiscal 2020 initiatives

Holding exchanges of opinions with animal welfare experts

In recent years, concern regarding the welfare of livestock animals has been growing so we decided to hold exchanges of opinions with animal welfare experts.

On both February 14, 2020 and January 15, 2021, we were able to meet with Chihiro Okada, the director of the Animal Rights Center Japan (NPO). Ms. Okada shared her thoughts on animal welfare and the activities carried out by the organization and we explained some of the initiatives carried out by the Group, leading to a discussion on ways to care for and processing livestock.

Main initiatives and organizations of which the Group is a member

TCFD (Task Force on Climate-related Financial Disclosures)

A private sector initiative established by the Financial Stability Board which focuses on financial disclosure that relates to climate.

RSPO (Roundtable on Sustainable Palm Oil)

An international non-profit organization which has built and operates a certification system that has become the standard for sustainable palm oil, and which encourages the production and distribution of such oil.

ASSC (The Global Alliance for Sustainable Supply Chain)

An NGO that is promoting the creation of sustainable supply chains in Japan through international cooperation.

CGF (The Consumer Goods Forum)

An international industry association for major manufacturers of foods and consumer goods and major retailers. As of July 2021, it has around 400 member companies from over 100 countries.

Commitments related to international summits

Commitment to the Tokyo Nutrition for Growth Summit 2021

In December 2021, the Japanese government will host the Tokyo Nutrition for Growth Summit 2021, an international summit attended by leaders and top officials from various countries.

The goal of the summit, which is to “realize a world in which all people have access to safe, affordable, and nutritious food,” is closely linked to two of the Group’s materialities, “Stable procurement and supply of protein” and “Food diversification and health,” so we have made a commitment in line with the summit’s aims.



Overview of the Group’s commitment

Goal/action plan	Key indicator	
Food allergy-related initiatives	<ul style="list-style-type: none"> ●Increase the amount of relevant products shipped ●Develop testing kits for labelling items that have recently become mandated by law 	<ul style="list-style-type: none"> ●Ship four billion yen worth of products by fiscal 2030 ●Launch new testing kits
Offer a greater choice of protein	<ul style="list-style-type: none"> ●Expand sales of plant-derived protein products ●Explore new alternative protein sources 	<ul style="list-style-type: none"> ●Ship 10 billion yen worth of products by fiscal 2030 ●Launch products developed from research into new proteins
Develop and promote products that extend healthy lives within a super-aging society	<ul style="list-style-type: none"> ●Launch products developed from patented substances that improve cognitive functions 	<ul style="list-style-type: none"> ●Provide three million meals a year by fiscal 2026

Commitment to the Food Systems Summit 2021


In order to achieve the SDGs, the Group is shifting to sustainable food systems (a chain of activities from food production through processing, distribution, and consumption) as well as declaring our support for the UN’s Food Systems Summit, a summit held to promote concrete action regarding these food systems. Therefore, we have made a commitment to this summit. The summit is due to be held in New York in September 2021 and will be attended by leaders and top officials from various countries (as of August 2021).



Overview of the Group’s commitment*

Goal/action plan

To “boost nature-positive food production at scale”	<ul style="list-style-type: none"> ●We will work to reduce our CO₂ emissions, as we recognize that doing so is an essential response to climate change. ●We will promote the handling of RSPO-certified palm oil in order to promote sustainable agriculture.
To “ensure access to safe and nutritious food for all”	<ul style="list-style-type: none"> ●We will promote a supply of healthy and nutritious food to all people based on our company’s accumulated knowledge of food allergies.
To “advance equitable livelihoods and value distribution”	<ul style="list-style-type: none"> ●We will promote socially responsible procurement (CSR procurement) initiatives, make important primary suppliers aware of our policies, and provide our suppliers with self-assessment questionnaires (SAQs).


 * For more detail, see the link below (Food Systems Summit 2021 Commitments from Japanese stakeholders).
<https://foodsystems.community/wp-content/uploads/2021/09/Commitments-from-Japanese-Stakeholders-bbd1eb85db97a38144411ed9abbe4f1e.pdf#page=55>