



NH Foods Group

Sustainability Report 2023



Prologue

Our mission is to contribute to a happy and healthy life by delivering the *Joy of Eating*. We formulated the NH Foods Group Vision2030 as a milestone toward fulfilling our corporate philosophy and identified the Five Materialities (key issues) as the social issues to be addressed on a priority basis toward the realization of this vision.



Philosophy

Corporate Philosophies

1. Under the basic theme of *Joy of Eating* our company creates a culture that marks an epoch and contributes to society.
2. Our company is a place where employees can feel truly happy and fulfilled.

Management Principles

1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.



Unleash new potentials for protein NH Foods Group Vision 2030

NH Foods Group will unleash new ideas beyond existing domains to expand new potentials for protein as the power of life.

We will endeavor to create diverse dietary lifestyles so people can experience the *Joy of Eating* more freely, while ensuring a stable supply of food with respect to the environment and society.

Protein makes up approx. one-fifth of the human body and is an essential nutrient. We supply around 6%* of the protein consumed by Japanese population, so Vision2030 incorporates not only our existing values of safety, reliability, and deliciousness, but also our desire to continue providing consumers with enjoyable day-to-day diets by harnessing free and innovative ideas to expand the potential of protein, leading to the creation of diverse ways to enjoy food.

* Estimated by the NH Foods Group using data for the weight of products handled, and external data (based on our research as of 2019)



Sustainability Report 2023

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Editorial policy

This report describes sustainability-related initiatives by the NH Foods Group toward the realization of a sustainable society. It is published for the purpose of maintaining good communication with more of our stakeholders. For this year's report, we are focusing on each of our Five Materialities, particularly in the special feature sections.

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03



Continuing to take on the challenges of contributing to the stable protein procurement and supply and solving environmental issues

One of the corporate philosophies of the NH Foods Group is “Under the basic theme of *Joy of Eating* our company creates a culture that marks an epoch and contributes to society,” and since our founding, we have provided people with protein, an essential nutrient for life, under this philosophy. In the future, it is predicted that protein supplies will no longer be able to meet demand driven by global population growth. Therefore, as Japan’s biggest supplier of protein, we have a social responsibility to ensure the stability of protein supplies. Based on this spirit, we have incorporated our Vision2030 corporate message of “Unleash new potentials for protein” into our activities and continue to take on new challenges.

One of these challenges is to contribute to the stable protein procurement and supply. The Group’s business operations, including our cattle, pig, and chicken farms, rely upon the bounty of nature. However, in the Japanese livestock rearing industry, farmers are aging and personnel shortages are getting worse, creating the need for improvements in worker productivity and people to inherit skills. In response to this, we are working to tackle the industry’s issues through the development of PIG LABO®, a pig rearing support system that uses AI and IoT technology. We are also advancing livestock initiatives with an animal welfare perspective that looks to reduce stress on the animals. Furthermore, we are responding to growing global demand for fresh meat by both ensuring stable procurement in our existing business and working to realize commercial applications for new proteins, such as plant-based protein products and cell-based foods (cultivated meat).

Another challenge we are addressing is to solve environmental issues. Our initiatives in this area include installing solar panels at our business sites, effectively using livestock manure as a resource, and advancing research into ways to curb livestock-derived greenhouse gas emissions, such as the methane emitted by cattle belching. We are also working to tackle the issue of marine plastics by revising product packaging to reduce plastic use.

We will respond to changes in the times by accurately assessing social issues, staying current with the needs of our customers, and providing products that embody sustainability in a way that only the NH Foods Group can.

Succeeding in these challenges, will require diverse knowledge and perspectives. We will work together as a Group to realize new value, with a focus on co-creation with both internal and external partners.

Our other corporate philosophy is “Our Company is a place where employees can feel truly happy and fulfilled.” This is reflected in our efforts to practice human resource development that supports employee growth and to create workplaces where a diverse workforce can participate wholeheartedly. Going forward we will continue striving to be a corporate Group that is an essential presence for society and our employees.

Nobuhisa Ikawa

President and
Representative Director



Creating the future of food to build a sustainable society

Masahito Kataoka

Director and Managing Executive Officer
(Director in Charge of Sustainability)

Solving social issues

The NH Foods Group advances its sustainability strategy and business strategies in tandem, and we strive to solve social issues while also raising corporate value. In April 2021, we formulated Vision2030—Unleashing new potentials for protein—and identified the Five Materialities (key issues) that we need to address. Since then, we have been working steadily to achieve these. Within these efforts, we are currently putting a particular emphasis on “responding to climate change,” “contributing to sustainable livestock rearing,” and “human resources development.”

Responding to climate change

We are responding to climate change by setting the two goals of reducing fossil fuel-derived CO₂ emissions and curbing and reducing livestock-derived CO₂ emissions with the aim of reducing combined greenhouse gas emissions. For fossil fuel-derived emissions, our targets for 2030 are to reduce emissions in Japan by at least 46% compared to fiscal 2013 and emissions overseas by at least 24% compared to fiscal 2021. We will work toward these targets by upgrading our facilities, including switching equipment in our factories to high-efficiency models and installing solar panels.



Regarding livestock-derived CO₂ emissions, we are advancing joint research through industrial academic collaborations with universities in Japan and other partners with the aim of realizing reductions by both curbing methane emissions and capturing emitted methane.

We are also reviewing product packaging in order to reduce plastic use. For example, by making the packaging for *SCHAU ESSEN* simpler, we reduced the amount of plastic used by 28%, resulting in a reduction in annual CO₂ emissions.

Aiming to contribute to sustainable livestock rearing

To contribute to sustainable livestock rearing, it is essential to ensure the continued existence of livestock farmers. We are developing PIG LABO®, a comprehensive pig rearing support system that utilizes technology such as AI and cameras. One of the services provided is PIG LABO® Breeding Master, which detects estrus in pigs. Verification tests of this service on mother pigs resulted in improved conception rates, and we have concluded that it can reduce the decision-making workload of pig rearing personnel. We believe that it will lead to understanding and improvements in rearing environments at individual farms and that once it becomes commercially available, it will contribute to raising the sustainability of livestock rearing.

Regarding animal welfare, we have formulated core values and a code of conduct and set quantitative targets. Furthermore, operations are carried out using management guidelines and

operational procedures. We also educate farm personnel on animal welfare and operational procedures through internal study sessions.

Expanding our lineup of sustainable protein products

Global population growth and declining fish stocks mean that a shortage of animal protein is predicted in the future, so it is vital that new food technologies are developed to cover this shortage. We are enhancing our lineup of soy meat products that use plant-based materials in place of beef or fish, and its use in the restaurant industry is growing. In March 2023, we launched *NatuMeat Fishless Fried Fish Fillets* (Plant-based), which uses our proprietary technology to recreate a flavor and texture that is almost indistinguishable from the real thing. We are also advancing the development of cell-based foods (cultivated meat) as a source of sustainable protein. In October 2022, we announced that we had succeeded in replacing the main components of the “culture medium” required for culturing meat cells with those derived from commonly distributed foodstuffs, instead of those derived from animals (serum), and we are making progress on increasing the amounts that can be produced.

Becoming a flexible organization that enhances the abilities of our people

Regarding human resources development, we are helping employees gain both specialist knowledge

and management skills by providing a wide range of educational opportunities, including basic training, training programs with specific objectives, and career development support. Our approach is that the growth of individuals will drive organizational growth, and based on this, we are building a diverse, flexible organization that provides employees with roles and workplaces that nurture their individual skills. Also, we will strive to implement effective human resource strategies by practicing human resource-related KPI management and expanding the scope of information disclosure.

The NH Foods Group’s biggest mission is to fulfill our responsibilities as a supplier of protein. We will work to achieve this by finding solutions to various social issues and creating the future of food.



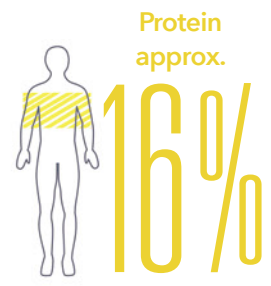
Special Feature 1

DELIVERING STABLE SUPPLIES OF PROTEIN INTO THE FUTURE



Protein is an essential nutrient that makes up around 16% of the human body

Protein is one of the three major nutrients together with carbohydrate and fat, and in addition to building body parts including muscle, internal organs, skin, and hair, it is also a source of energy. Approximately 16% of the human body is made of protein, and the recommended daily protein intake for adults aged 18 or older is thought to be 65 grams for men and 50 grams for women*1. A shortage of protein would lead to a decline in the functioning of the entire body.



*1. Source: Dietary Reference Intakes for Japanese (2020) by the Ministry of Health, Labour and Welfare

Protein supplies need to be doubled by 2050!

Recently, the prediction that protein supplies will become insufficient by 2050*2 has been gaining attention. Factors such as global population growth mean that the volumes of meat and fish consumption per person continue to grow, and as livestock farming and aquaculture require grains and fish meal, there will be a global shortage of protein, and supplies equivalent to twice the amount produced today will be needed.

*2. Source: World Agriculture Towards 2030/2050: The 2012 Revision by the Food and Agriculture Organization of the United Nations

In recent years, factors such as global population growth have led to predictions of protein supply shortages in the future. Within this environment, the NH Foods Group has been working to realize sustainable livestock rearing and to develop alternative proteins so that it can continue to provide stable supplies of protein in the long term.



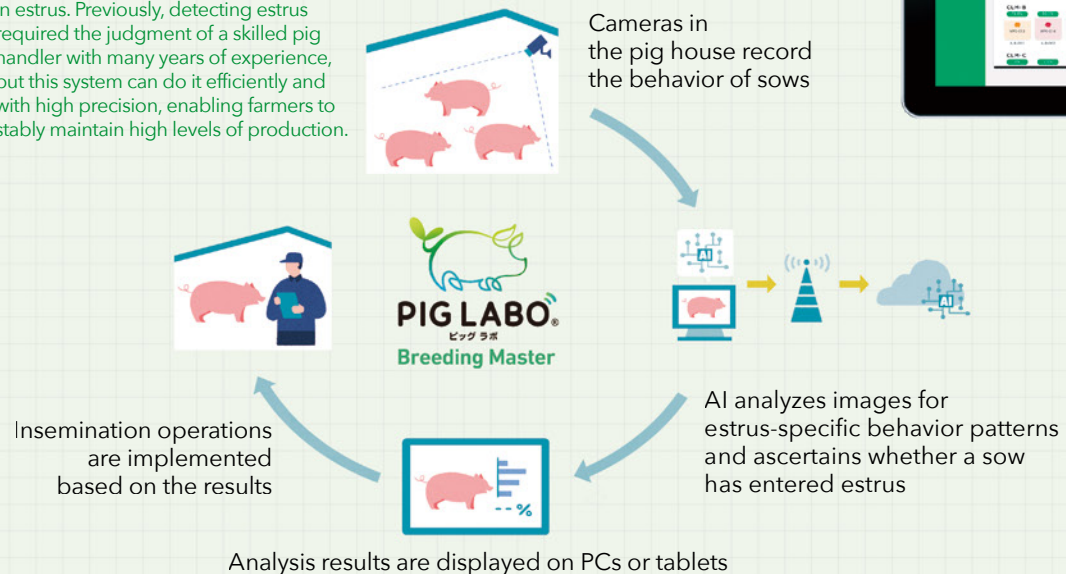
REALIZING SUSTAINABLE LIVESTOCK REARING

In order to provide stable supplies of pork, we are taking on the challenges of reducing rearing workloads and realizing more efficient production.

Energizing pig rearing in Japan through the country's first AI-based estrus detection service

The number of pig farms in Japan has been declining since 1980 and the aging of skilled, experienced pig handlers and a lack of people to inherit their skills have become issues. In light of this situation, NH Foods Ltd. is developing PIG LABO®, a support system that utilizes digital technology to aid in every aspect of pig rearing operations. The first service to be released through this initiative is PIG LABO® Breeding Master, which is currently being test-marketed. Through this initiative, we are aiming to energize the pig rearing and production industry and to solve social issues by realizing stable, productive operations and better working environments at pig rearing facilities.

Pig behavior captured using image data from cameras installed in pig houses is analyzed using AI to detect when a sow is in estrus. Previously, detecting estrus required the judgment of a skilled pig handler with many years of experience, but this system can do it efficiently and with high precision, enabling farmers to stably maintain high levels of production.



Interview with an employee

We will develop new functions for realizing sustainable pig rearing.

Under our slogan of “giving shape to a new style of rearing that is considerate of pigs, people, and the planet,” we are aiming to not only improve worker productivity, but also to realize pig rearing that is beneficial to the pigs and the global environment as well. In order to realize this sustainable pig rearing, we need to develop technologies that support every aspect of pig rearing and production operations, and we have only just begun. Going forward, we will work on developing new functions to follow the estrus detection service.



Masaki Okuda

R&D Center
NH Foods Ltd.



CREATING NEW PROTEINS

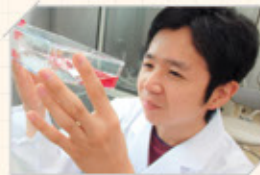


The NH Foods Group is advancing research and development into what is expected to become the next generation of protein. This includes cell-based foods (cultivated meat) that use ingredients derived from animal cells, and soy meat made from plant-based ingredients such as beans.

02-1

Tackling the challenge of realizing cell-based foods (cultivated meat)

Cell-based foods, which are created by culturing animal cells, are expected to become a means of supplying animal protein that exerts a lower environmental burden than that of livestock rearing. The NH Foods Ltd. Research and Development Center has been advancing research and development in this area since 2019. In 2022, it successfully replaced the animal blood component (serum) required in culture media with components derived from commonly distributed foodstuffs. We have taken a step forward toward the realization of cell-based foods by discovering a stable way to procure an important material used in their production at low cost.



Interview with an employee

Advancing research into new options for protein supplies

We think that creating protein sources by culturing animal cells can help us secure stable supplies of environmentally friendly food staples into the future. Cell-based foods are one possible way of achieving this, but delivering them to people's tables will require more technological development. We will continue to advance research and development aimed at realizing cell-based foods so that they can become a new option for protein supplies in the future.

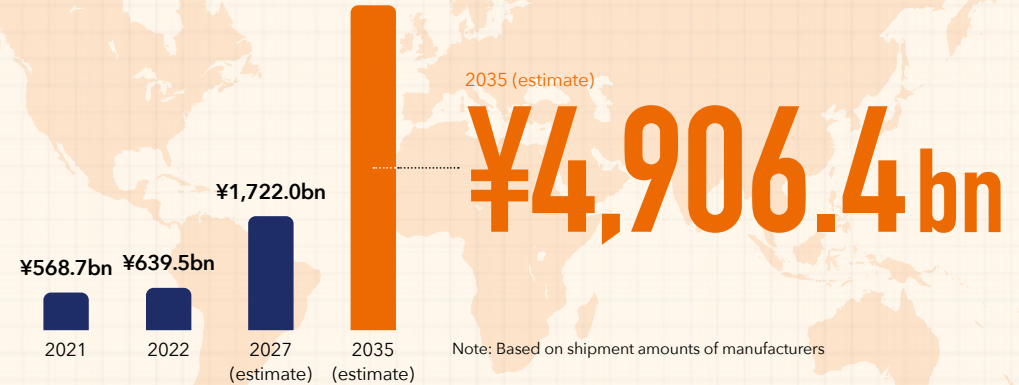
Food Research Team

R&D Center
NH Foods Ltd.



Global Alternative Protein Market Size Forecast (plant-based meat, plant-based seafood, cultured meat, cultured seafood, insect protein)

Survey by Yano Research Institute



Technical hurdles cleared



Proliferation in a culture medium made of food-grade ingredients



Formation → Food



Test cell-based meat product (chicken) made using culture media with components derived from foodstuffs instead of blood component
35mm length x 25mm width x 5mm thickness

Merits Cost reduction and high volume procurement

- Animal blood component (serum) is difficult to procure due to its high cost
- Using an alternative derived from foodstuffs enables high volume procurement (stable supply) at a lower cost

Future challenges

- Making culture media from edible components
- Increasing the volume of cell harvests
- Scaling up culturing

02-2

Developing plant-based fried fish fillets as a seafood alternative made using soy meat development technology

We are developing the *NatuMeat* series as protein products made using plentiful soybeans. By finding ways to reproduce the same tastes and textures as animal meat, we are providing products that are being chosen by a growing number of consumers. In March 2023, we launched *NatuMeat Fishless Fried Fish Fillets (Plant-based)*, the newest product in the series which provides the same taste and flakey texture as fish without actually containing any. Going forward, we will work to enhance our lineup of products that not only contribute to stable protein procurement and supply, but also help conserve fish stocks.



**NatuMeat
Fishless Fried
Fish Fillets
(Plant-based)**

Reproduces the fluffy, soft texture of white fish
Protein per pack (104g): 4.6g



Interview with an employee

We are working to achieve both the texture and nutritional functions of white fish.

The market for soy meat has grown on a global scale due to factors such as animal welfare and its environmental impact, but the global consumption of seafood has also grown approximately five times its former size over the last 50 years, so there is demand for the development of seafood alternatives. We have developed plant-based fried fish fillets, which not only recreates the texture of white fish, but also performs the same nutritional functions. Through products like this, we will further expand the possibilities of protein.

Mutsumi Komazaki

Deli Foods Section, R&D Office
Product Management Division
Processed Foods Business Division
NH Foods Ltd.



Delivering protein while caring for the environment

The NH Foods Group's business involves nurturing life, including the lives of cattle, pigs, and chickens, and benefitting from its bounty. The natural environment is the foundation for life so we think it is important to conserve it by using resources efficiently and working to reduce our environmental footprint. Here we introduce the environmental issues we are addressing to enable us to deliver stable supplies of protein into the future.



\ Initiatives /

01 Reducing CO₂ emissions ... P12

We are incorporating various methods for reducing CO₂ emissions generated by product manufacturing processes into our factories.

02 Using resources effectively ... P14

We are practicing environmentally friendly livestock rearing by effectively using the byproducts generated during rearing and production.

03 Reducing plastic waste ... P16

We are working to reduce plastic waste by revising the packaging for our products, including *SCHAU ESSEN*.

01

Reducing CO₂ emissions Initiatives at factories

We are working to reduce the CO₂ emissions generated by product manufacturing processes at Group factories through a wide range of energy saving initiatives. Let's have a look at a factory to see what kinds of ideas are being applied throughout the production process.

Note: The illustrations on pages 12 and 13 are examples that combine initiatives from various Group factories.



Upgrading refrigeration equipment

We are upgrading our refrigeration equipment to the latest energy efficient models to reduce power consumption.

LED lighting

In all buildings owned by the Group in Japan, we have switched the light fittings to LED lighting, which uses less energy and has a longer service life.

Reducing the energy consumption of equipment

We are working to reduce energy consumption through initiatives such as installing highly productive equipment to raise production capacity and optimizing temperatures within freezer and refrigerated storage units.

Identifying air leaks

At our factories, we use compressed air to power the equipment used in product manufacturing and packaging processes. As air leaks can lead to energy loss, we are using detectors to identify places that air is leaking from, so we can carry out the appropriate repairs.

Interview with an employee

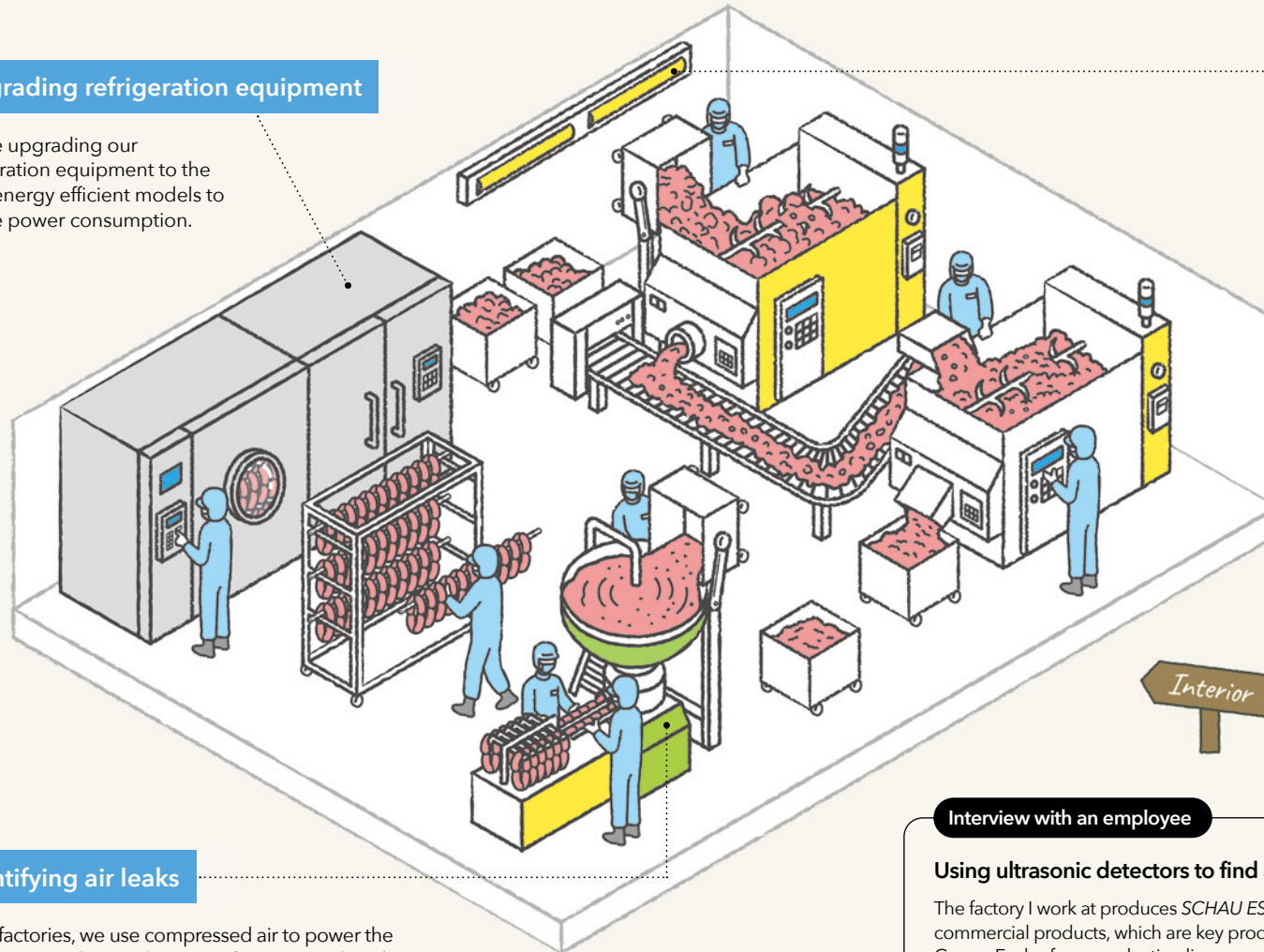
Using ultrasonic detectors to find air leaks

The factory I work at produces *SCHAU ESSEN* and commercial products, which are key products for the Group. Each of our production lines comprise a mix of large and small machinery, which use a lot of energy. Within this environment, detectors that can identify air leaks, which are invisible to the naked eye, are invaluable. They are proving extremely useful in terms of operational efficiency.

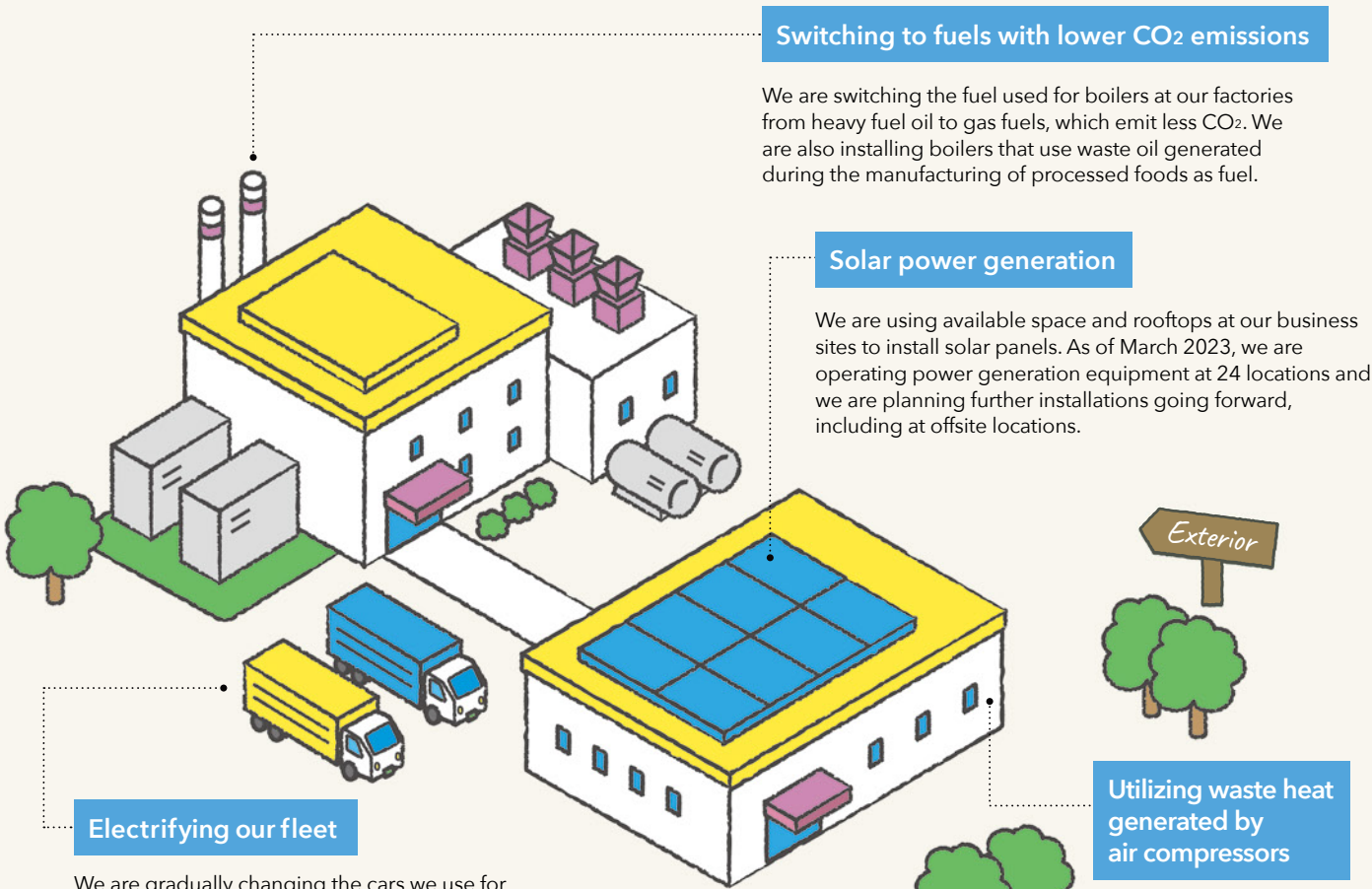


Toshiaki Ueki

Engineering Administration Division
Nippon Ham Factory Co., Ltd. Ibaraki Plant



01 Reducing CO₂ emissions Initiatives at factories



Switching to fuels with lower CO₂ emissions

We are switching the fuel used for boilers at our factories from heavy fuel oil to gas fuels, which emit less CO₂. We are also installing boilers that use waste oil generated during the manufacturing of processed foods as fuel.

Solar power generation

We are using available space and rooftops at our business sites to install solar panels. As of March 2023, we are operating power generation equipment at 24 locations and we are planning further installations going forward, including at offsite locations.



Utilizing waste heat generated by air compressors

Previously, heat generated when compressing air was allowed to dissipate without use. We are installing heat recovery compressors that use this heat to create hot water. This water is then directed into our boilers, reducing boiler fuel consumption.

Electrifying our fleet

We are gradually changing the cars we use for sales activities from gas-powered to hybrid cars. Furthermore, in addition to trialing a switch to electric vehicles, we have also started introducing hybrid trucks.

Making transport more efficient

At our logistics facilities, we are working to reduce transportation-related CO₂ emissions by improving cargo loading efficiency and revising distribution routes to make transportation more efficient.

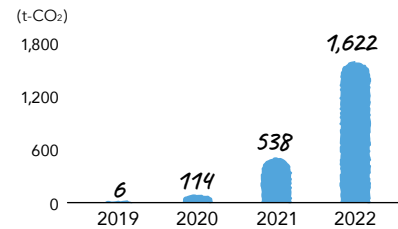
Modal shift

We are implementing a modal shift by changing the way we transport freight from trucks to rail and sea transportation. In addition to being beneficial to the environment, this will also help address Japan's 2024 logistics problem.

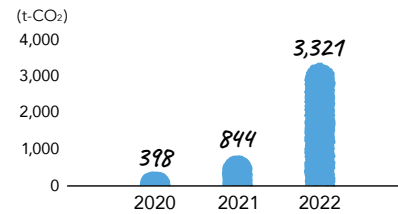
Our energy saving initiatives visualized through data

Reduction in CO₂ emissions through solar power generation

*Calculated using the emission factors of the power companies serving each location that solar power has been introduced

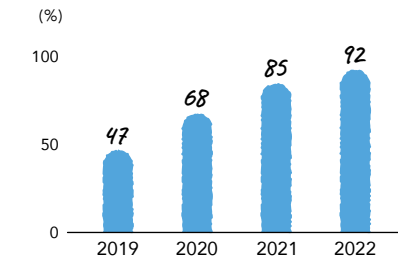


Reduction in CO₂ emissions through changing from heavy fuel oil to gas fuels



Rate of conversion to hybrid vehicles

*Gasoline-powered cars used for sales activities



02

Using resources effectively

Resources utilization initiatives in fresh meat production

Using the earth's great natural bounty with respect

The fresh meats business accounts for 62.9% of the Group's total net sales. This includes a share of about 20% of the fresh meat market in Japan in terms of sales volumes.

This business is dependent on the earth's great natural bounty and the various blessings of life. Therefore, we strive to use these blessings without waste by protecting the abundant and enriching natural environment, utilizing limited resources with respect, and working to realize a sustainable society.

We are turning the byproducts generated in cattle, pork and chicken manufacturing processes, including bones and skin, into products such as extract seasonings, including ramen soup stock and sauces, as well as extracting functional ingredients from them, like collagen. In this way, we are using the bounty of nature respectfully and without waste.

We are also effectively using livestock manure as a resource, including as fuel and fertilizer.

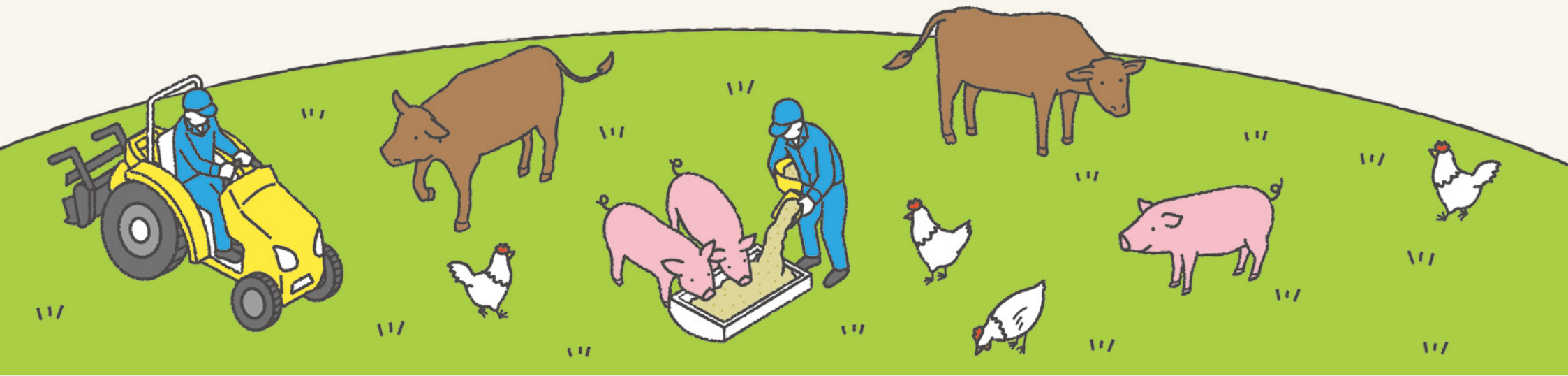


Share of the Japanese fresh meat market by volume

Approx. **20%**

Fresh meat sales out of overall Group sales (as of March 2023)

62.9%



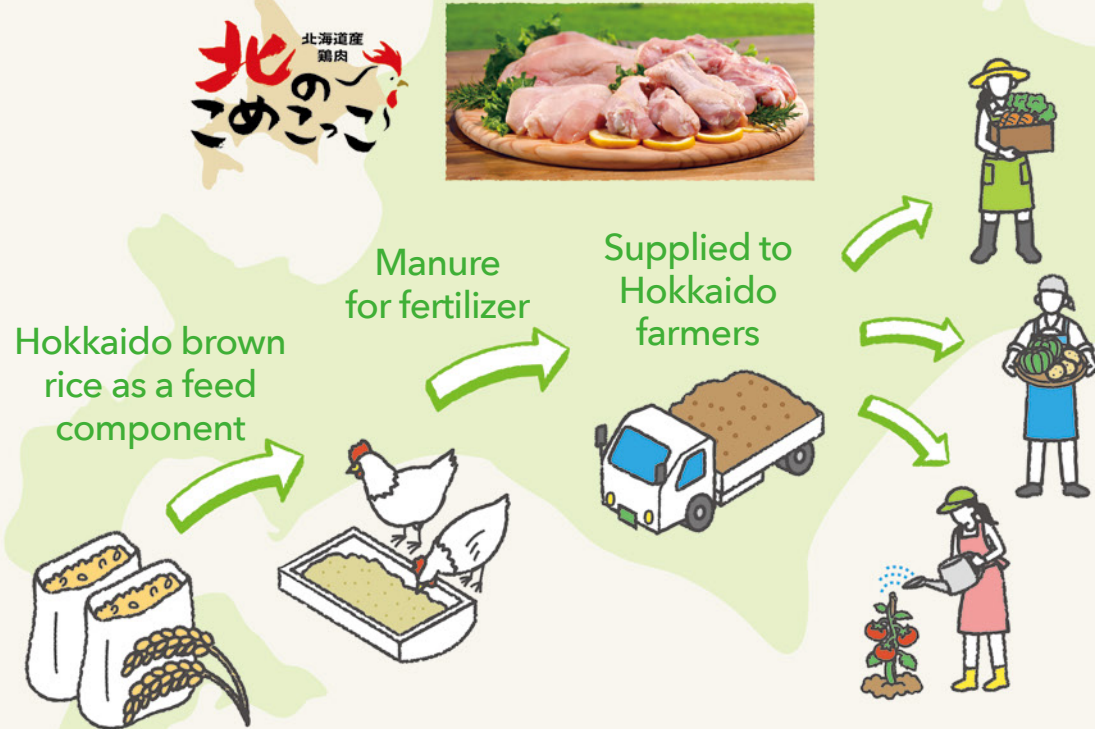
Resources utilization initiatives in fresh meat production

We are collaborating with local feed producers and vegetable farmers on initiatives to increase the ratio of feed produced in Japan and to reduce the environmental impact of the livestock industry.

Kitanokomekokko

Brand of chicken produced in Hokkaido

We use brown rice produced in Hokkaido as part of our feed formulas. Manure from our chicken farms is supplied to vegetable farmers in Hokkaido and used to fertilize crops. Through this local production for local consumption, we are reducing the environmental footprint of transportation activities and contributing to the region.



Interview with an employee

Taiki Otaguro

Sapporo Office Sales Dept.
Hokkaido Division
Higashi Nippon Food, Inc.



We want to further promote *Kitanokomekokko* by communicating its unique characteristics

Kitanokomekokko is being well received by customers as a new NH Foods brand of chicken raised on carefully selected feed. Going forward, we also want to communicate its value as a new initiative for the NH Foods Group co-creation network that includes feed producers and vegetable farmers based in Hokkaido. As Japan's leading company for fresh meat, we feel a strong sense of responsibility and we will work to realize a sustainable fresh meats business.

Creating a resource cycle for *Mugikomachi* domestically produced pork

We are working with feed producers to turn the wheat grown in fields in Hokkaido owned by a Group company into feed for pigs. We then process the manure from our pig farms into fertilizer to be spread on these fields, realizing a resource cycle.

Note: This initiative is only being implemented at certain farms.



03

Reducing plastic waste

Changing packaging to reduce plastic use



SCHAU ESSEN

had its topknot cut!

The amount of plastic waste this has prevented per one year of sales is...

248 tons!

In 2022, we switched the packaging for *SCHAU ESSEN* from a drawstring-style bag to the newly developed eco-friendly pillow-type packaging. By cutting the “topknot haircut” section of the previous packaging, we have reduced the amount of plastic used by 28%*1, saving 248 tons*2 of plastic waste per year.

*1. Compared to the previous *SCHAU ESSEN* 127g double pack

*2. Calculated based on sales data from February 1 to December 10, 2022



The plastic waste problem

It is estimated that globally, around eight million tons of plastic waste finds its way into the sea each year*. Plastic waste that drifts into the ocean has a considerable impact on marine life. There is also concern about the impact of plastic throughout food chains, as plastic that has been broken into tiny pieces by waves and UV rays is eaten by marine creatures, which are then eaten by birds and other animals.

*Source: World Economic Forum (2016)

We also shrank the tape!

In order to further reduce plastic use, we have also reduced the width of the tape used to attach double packs our mainstay sausage products *SCHAU ESSEN*, *Hojun*, *Winny*®, and *Mori-no-Kaori* for sale from 18 mm to 15 mm.



03 Reducing plastic waste

Changing packaging to reduce plastic use

The Chuka Meisai series

Reducing plastic waste by removing trays

For some of our products in the *Chuka Meisai* series, we have removed the tray that was previously placed under the product, reducing the amount of plastic in the packaging by 19.3%, which amounts to about 111 tons* over a six-month period. (Compared to previous packaging)

*Calculated based on sales data for four products (Subuta, Happosai, Chinjao Rosu, Hoikoro) from October 1, 2022, to March 31, 2023



111-ton reduction!
by removing the tray

TOPICS

Working to reduce paper packaging

For our *Utsukushi-no-Kuni* ham gift products we have changed the packaging from the previous layout, which had all the products separated within the box, to one where they are lined up together. This has reduced the amount of paper used for the decorative box by about 40% (compared to the previous packaging).



Chilled drinks

Switching to straws containing biomass polyethylene

For all chilled drink products produced at our factories, such as *Vanilla Yogurt Drink*, *Torokeru Lassi Mango*, and *Nyusankin Green Smoothie*, we have switched the straws attached to containers from regular plastic ones to straws containing 5% environmentally friendly biomass polyethylene. Biomass polyethylene is a plant-derived plastic made from sugarcane. Sugarcane absorbs CO₂ during photosynthesis which is thought to negate the CO₂ emissions generated when biomass polyethylene is burned.



Isey SKYR

Switching from plastic to paper

In March 2022, we switched the containers for *Isey SKYR* series from plastic to paper, reducing plastic used in its packaging by about 94% (compared to the previous packaging).



NH Foods Group Five Materialities (key issues)

The NH Foods Group has designated the social issues that must be prioritized in order to realize Vision2030 as the Five Materialities.



Materiality 1

Stable procurement and supply of proteins

Global population growth, climate change, and other factors are expected to make it increasingly difficult to supply proteins. The NH Foods Group aims to ensure the stable procurement and supply of proteins. In addition to existing quality-related safety and reliability initiatives, we will advance efforts to supply diverse proteins through consideration for the environment and social aspects such as human rights and animal welfare in our supply chains.



Materiality 2

Food diversification and health

Changes in lifestyle and other factors are leading to the need for diverse solutions in the area of food as well. The NH Foods Group will contribute to a happy and healthy life by developing products and providing services that meet diverse needs.



Materiality 3

Contributing to a sustainable environment

We face various environmental issues such as climate change, food loss, and marine plastic litter. The NH Foods Group's businesses involve bringing our customers the bounty of nature, and we are determined to help solve issues such as greenhouse gases, food loss, and plastics throughout the value chain.



Materiality 4

Co-creation and shared prosperity with local communities and society as a whole through food and sports

As a good corporate citizen, the NH Foods Group aims to be an enterprise loved and trusted by local communities and society as a whole, as we walk and grow together, deepening ties formed through food and sports.



Materiality 5

Employee development and respect for diversity

The NH Foods Group aims to be a place where employees can feel truly happy and fulfilled. Based on a deep respect for individuals, we strive to create workplaces where employees can thrive and demonstrate their unique strengths.

Measures, indicators, and progress of the Five Materialities (key issues)

We have identified the Five Materialities as social issues that must be prioritized in order to realize Vision 2030. We have formulated a policy, measures, and indicators for each initiative addressing each materiality. For qualitative measures, the year of achievement is set to 2030, and for quantitative measures, the year of achievement is set for each measure. We will continue to promote these initiatives through dialogue with our stakeholders. Here we share the main items within these measure and indicators and results achieved in fiscal 2022.



For details, please visit the NH Foods Group website.
<https://www.nipponham.co.jp/eng/csr/nhgroup/materiality-list/>

Materiality 1		Stable procurement and supply of proteins		2	9	12	17
Social Issues	Policies	Measures and Indicators		FY2022 Results			
Stable procurement and supply of proteins	We will contribute to the health and physical development of people through the stable delivery of protein, which provides the power to live. As for procurement, we will work with related stakeholders to maintain and stabilize a sustainable supply chain and contribute to resolving issues in the livestock business.	<ul style="list-style-type: none"> Promote sustainable procurement <ul style="list-style-type: none"> Disseminate policies to critical primary suppliers and achieve a 100% implementation rate for SAQ*1 by FY2023 Disseminate policies to critical primary suppliers and achieve a 100% implementation rate for SAQ, and disseminate policies to critical secondary suppliers and implement SAQ by FY2030 		Implemented SAQ at 59 critical suppliers. Return rate: 100%			
		<ul style="list-style-type: none"> Promote initiatives that take animal welfare into consideration <ul style="list-style-type: none"> Eliminate gestation crates on all farms*2 in Japan (pigs), achieving an implementation rate of 9.5% by FY2023 and 100% by FY2030 		Implementation rate: 9.5%			
		<ul style="list-style-type: none"> Install drinking water facilities in lairage pens at all meat processing plants*2 in Japan (pigs and cattle) by FY2023 		Installation rate Cattle: 100.0% Pigs: 88.8%			
		<ul style="list-style-type: none"> Install cameras on all farms and meat processing plants*2 in Japan to ensure environmental quality by FY2024 		Installation rate Cattle (meat processing plants): 100.0% Pigs (meat processing plants, farms): 100.0%, chickens: 20.0%			
Greater choice of protein	In response to lifestyle changes, etc., we will promote the expansion and sale of plant-derived protein products and pursue new alternative proteins.	<ul style="list-style-type: none"> Expand sales of plant-derived protein products <ul style="list-style-type: none"> Achieve a shipment amount of ¥1 billion by FY2023 and ¥10 billion by FY2030 		Shipment amount: ¥660 million (+191.0% YoY)			
Food safety and reliability	We will promote the acquisition of third-party certification for food safety and training on food safety for our employees in order to deliver safe and secure products.	<ul style="list-style-type: none"> Promote acquisition of third-party certification (FSSC22000, SQF, BRC, JFS, etc.) 		Third-party certifications acquired: 130			
		<ul style="list-style-type: none"> Develop human resources through specialized technical certification and other training <ul style="list-style-type: none"> Achieve the number of employees who have taken e-learning courses of 46,000 by FY2023 and 67,000 by FY2030 		Employees who have completed e-learning: 43,801			
Materiality 2		Food diversification and health		3	9	17	
Social Issues	Policies	Measures and Indicators		FY2022 Results			
Food allergy support	We are working to improve the quality of life of those with food allergies and their families by expanding our products and services, primarily centered around food.	<ul style="list-style-type: none"> Expand our lineup of food allergy-related products and raise awareness of food allergies <ul style="list-style-type: none"> Achieve a shipment amount of ¥1.9 billion by FY2023 and ¥4 billion by FY2030 		Shipment amount: ¥1.16 billion (+7.4% YoY)			
Health promotion	We will promote the development of products that both taste good and contribute to health, contributing to the joy of eating and healthy living. We will also promote research and disseminate information on extending healthy life expectancy through industry-government-academia collaboration.	<ul style="list-style-type: none"> Research and commercialize new ingredients for improving cognitive function <ul style="list-style-type: none"> Supply the equivalent of 1.65 million meals per year by FY2023 and 3 million by FY2026 		Provision of IMIDEA materials and products: 1.68 million meals			
		<ul style="list-style-type: none"> Develop products that contribute to health 		Shipment amount: ¥9.54 billion (+5.0% YoY) Number of health-conscious products: 115 (+9.0% YoY)			
Food diversification	We will contribute to a variety of dietary lifestyles by providing products that respond to various cultures and values.	<ul style="list-style-type: none"> Develop and sell products that respond to a diverse range of cultures, religions, etc. 		Halal and kosher certification acquired at overseas Group companies			

Note:*1 SAQ: Self-Assessment Questionnaire *2 For companies in which the NH Foods Group holds a majority stake



Materiality 3 Contributing to a sustainable environment			
Social Issues	Policies	Measures and Indicators	FY2022 Results
Responding to climate change	We will consider measures to deal with climate change, work to reduce and control greenhouse gas emissions, and contribute to reducing our environmental impact. Additionally, we will promote research and technological development through internal and external cooperation.	<ul style="list-style-type: none"> Reduce CO₂ emissions from fossil fuels <ul style="list-style-type: none"> –Japan: FY2023 target of 15.9% or higher compared to FY2013 and FY2030 target of 46% or higher compared to FY2013 	18.7% reduction
		<ul style="list-style-type: none"> –Overseas: FY2030 target of 24% or higher compared to FY2021 	2.0%* reduction *Initiative started in 2022
Resource saving and recycling	We will work to reduce the amount of water used, which is one of the planet's most important resources, as well as the amount of waste generated at our business sites. We will also promote resource recycling and contribute to reducing our environmental impact. Additionally, we will work to address water risks and reduce food loss.	<ul style="list-style-type: none"> Reduce water consumption^{*3} <ul style="list-style-type: none"> –Japan: FY2030 target of 5% per production unit compared to FY2019 	1.3% increase
		<ul style="list-style-type: none"> –Overseas: FY2030 target of 5% per production unit compared to FY2021 	3.7% increase
Addressing biodiversity	We will promote the procurement of sustainable resources and contribute to the conservation of biodiversity. We will switch to certified products for palm oil.	<ul style="list-style-type: none"> Reduce waste emissions in Japan^{*4} <ul style="list-style-type: none"> –FY2030 target: 5% per production unit compared to FY2019 	7.2% reduction
		<ul style="list-style-type: none"> Promote forest conservation activities 	Carried out forestation activities
Materiality 4 Co-creation and shared prosperity with local communities and society as a whole through food and sports			
Social Issues	Policies	Measures and Indicators	FY2022 Results
Local community development	We will contribute to the development of local communities by collaborating with local communities through sports, local cultural activities, social welfare activities through food, support for the development of the next generation through food and dietary education, etc. We will also place importance on dialogue with the local communities in which we operate and work to resolve issues.	<ul style="list-style-type: none"> Promote activities for co-creation with local communities through sports (new HOKKAIDO BALLPARK, sports/food education classes, etc.) 	Activities: 36 Participating employees: 7,797 Spending on activities: ¥519,347,000
		<ul style="list-style-type: none"> Support the development of the next generation through food and dietary education, etc. (in-class lessons, career development support, etc.) 	Activities: 191 Participating employees: 3,654 Spending on activities: ¥42,111,000
Materiality 5 Employee development and respect for diversity			
Social Issues	Policies	Measures and Indicators	FY2022 Results
Enhancing job satisfaction for employees	We will promote a human resources management strategy that improves the motivation of our employees.	<ul style="list-style-type: none"> Foster a corporate culture that encourages employees to take on challenges 	Implemented an award system for individual employees and N-VIP New Business Proposal System
		<ul style="list-style-type: none"> Carry out initiatives for fair evaluation and compensation 	Provided appropriate assessments, compensation, and feedback, clarified promotion and advancement standards and processes
Respect for diversity	We will work to improve value creativity by promoting the active participation of a diverse range of human resources, as well as labor productivity through work style reform. Additionally, we will promote health and safety management and comply with labor-related laws.	<ul style="list-style-type: none"> Career development for women <ul style="list-style-type: none"> –Achieve a percentage of female managers of 8% or higher by FY2023 and 20% or higher^{*5} by FY2030 	Percentage of female managers: 9.8%
		<ul style="list-style-type: none"> Reduce total working hours <ul style="list-style-type: none"> –FY2023 targets: 1,980 or less total working hours, 240 or less overtime hours^{*5} –FY2030 targets: 1,870 or less total working hours, 200 or less overtime hours^{*5} 	Total working hours: 1,970 Overtime hours: 226



*3 Water consumption at NH Foods Group manufacturing factories in Japan and Overseas
*4 Waste discharges at NH Foods Group manufacturing factories in Japan *5 Scope: NH Foods Ltd.

Activity
01 Promoting initiatives that take animal welfare into consideration

Animal welfare is an approach that aims to reduce the stress and suffering of livestock and make them more comfortable throughout their entire lifespan, from birth through to processing.

We benefit from the bounty of nature on a daily basis, so we believe that it is important to operate businesses in a way that takes animal welfare into account. We are also aware that reducing stress and controlling illness in our animals by rearing them in comfortable environments can lead to improved food safety.

Formulating core values, guidelines, and targets

We formulated the NH Foods Group Animal Welfare Core Values and the NH Foods Group Animal Welfare Code of Conduct, which firmly sets out the conduct we expect under the core values, to promote business that takes animal welfare into consideration. We have also set targets to be achieved by fiscal 2030.

These provide a foundation for each Group company to organize specific management frameworks and procedure manuals in line with the characteristics of its business. Furthermore, Nippon Clean Farm Ltd., which operates the Group's pig rearing business, is holding internal workshops and has established an animal welfare consultation channel in order to raise awareness of animal welfare among employees and raise the effectiveness of initiatives.



A free-range sow gestation house (Nippon Clean Farm Ltd.)



Sunshades installed to protect cattle from direct sunlight (Whyalla Beef Pty. Ltd.)

Main initiatives

Nippon Clean Farm Ltd. is working to reduce the stress of pigs being raised at two of its farms in Hokkaido by eliminating gestation crates. Reducing the stress of mother pigs raises productivity. We are also installing cameras at farms and meat processing plants with the goal of enhancing the quality of livestock rearing and rearing environments.

Furthermore, in the overseas business, Whyalla Beef Pty. Ltd., which operates a cattle business in Australia, is prioritizing safety and sanitation at its feedlots while also reducing stress in the rearing environments of its cattle through efforts such as installing sunshades to protect the cows from direct sunlight and improving methods for supplying water and feed.

Animal welfare targets

Measures	Indicators	Progress (as of June 2023)
Elimination of gestation crates (pigs)	Complete at all farms* in Japan by fiscal 2030	9.5%
Installation of drinking water facilities in lairage pens at meat processing plants (pigs and cattle)	Complete installation at all meat processing plants* in Japan by fiscal 2023	Cattle: 100.0% Pigs: 88.8%
Installation of cameras at farms and meat processing plants to ensure environmental quality	Complete installation at all farms and meat processing plants* in Japan by fiscal 2024	Cattle meat processing plants: 100% Pig farms and meat processing plants: 100% Chicken farms and meat processing plants: 20%

* For companies in which the NH Foods Group holds a majority stake

Participating in a symposium in Japan

At the Nikkei Animal Welfare Symposium hosted by Nikkei, Inc. in February 2023, the president and representative director of Group company Nippon Clean Farm Ltd. participated in the closing session. In addition to explaining the Group’s animal welfare initiatives, he exchanged opinions with other members of the panel, sharing a producer’s perspective on matters such as the current situation at farms and how to promote animal welfare in Japan going forward.



Comment from an expert

Engagement in animal welfare

Kenichi Takeda
Associate Professor Institute of Agriculture,
Academic Assembly Shinshu University



Food companies that handle livestock in Japan have started engaging in animal welfare (AW). Although for some companies, this is limited to just formulating an AW policy, there are also companies that are incorporating global trends into their activities, such as changing animal rearing methods and investing large amounts in the associated facilities and equipment. Among these, I think that the NH Foods Group is a leading presence. In addition to formulating a policy, it is also implementing specific measures and setting targets with defined deadlines.

This kind of engagement has raised the evaluation of its AW initiatives in terms of BBFAW*, which sends a message to investors and leads to an improvement in corporate value.

However, what about initiatives covering the entire food supply chain? The most important element is the understanding of the consumers who will be eating the end products. I think the intrinsic value of the products can only be recognized if consumers sympathize with rearing methods and understand what is being done in terms of AW. AW cannot be implemented without a cost in terms of both money and labor. A management system in which a company is paying this cost without the understanding of consumers will not succeed.

While it is important to have a shared attitude toward AW within the Group, I think that implementing regular food education activities for consumers under the theme of AW will result in a big step forward for AW.

* Business Benchmark on Farm Animal Welfare: An NPO established in the UK in 2012 that sets benchmarks for companies concerning livestock animal welfare.

Activity 02 Carrying out sustainable procurement with suppliers

We cooperate with suppliers to solve any social issues (such as forced or child labor, or environmental destruction) that manifest throughout the entire supply chain. As part of these efforts, we formulated the NH Foods Group Sustainable Procurement Policy and NH Foods Group Sustainable Procurement Guidelines. In addition to voluntarily complying with this policy and these guidelines, we also explain them to suppliers and request their understanding and cooperation.

Furthermore, we monitor the procurement situation with each supplier through self-assessment questionnaires (SAQ). We ask suppliers to assess their own activities and share their results. If these self-assessments reveal points that need addressing, we work together with the relevant suppliers to make improvements. In fiscal 2022, we also asked Group companies in Japan and overseas to send questionnaires to their critical suppliers* and responses were returned by all suppliers.

Going forward, we will work toward sustainable procurement by monitoring new suppliers, as well as both primary and secondary suppliers, and by considering audits when necessary.

* Critical suppliers: We position suppliers with whom we make transactions totaling large amounts and suppliers who deliver materials, packaging, livestock products, feeds, etc. that cannot be substituted as “critical suppliers.”

Sustainable Procurement flow

STEP1 Share policy and guidelines with suppliers and request self-assessment questionnaire (SAQ)

STEP2 Collect SAQ responses from suppliers

STEP3 Share evaluation results

If points that need improvement are identified

STEP4 Interviews by telephone and other channels



Activity
01 Tackling food allergies by developing walnut allergy test kits



We have been tackling food allergies for over 20 years based on our desire for people with food allergies and people without allergies to be able to enjoy delicious food with peace of mind.

In addition to developing allergen-free foods and disseminating information, we also develop allergen test kits that check if foods contain certain allergens or not. These kits are tools that help maintain food safety and are used by many food manufacturers and public institutions.

In recent years, the number of allergic reactions caused by walnuts has been rising and in March 2023, walnuts were added to the list of specified allergens that must be included on food labeling. In response, NH Foods Ltd. developed two types of kit that can detect walnut proteins swiftly and with a high degree of sensitivity, and these were launched on the market in late March.

Activity
02 Developing products that respond to diverse food needs

Preventing frailty in elderly people

Frailty is a condition that occurs as bodily and mental functions decline with age, and it is often one of the final steps before an individual starts needing nursing care. We are collaborating with universities, independent administrative institutions, and other companies to advance research into preventing frailty. Also, protein intake is an important factor in countering frailty, but factors such as the weakening of chewing power mean that people tend to eat less meat as they age. Therefore, we are developing new soft meat products that can be easily enjoyed by elderly customers.



Tender Sirloin Steak

Responding to religious food needs

Some religions have laws on what foods can be eaten. For example, Islam has halal foods and Judaism has kosher foods. The global population of people who adhere to the Islamic faith is growing and by 2030, this number is forecast to reach 2.2 billion, or in other words, approximately one quarter of all people will be Muslims. Therefore, demand for halal foods is expected to continue growing.

Our overseas Group companies are manufacturing foods that have halal and kosher certification, and we will continue striving to respect and understand religious food needs and to supply religiously permissible food products.



Manufactured and sold by PT NH Foods Diamond Indonesia, Ltd.
Halal-certified products
riverland Beef Bratwurst
riverland Beef Nugget

Activity
01



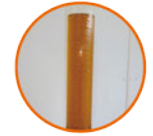
Advancing joint development into reducing livestock-derived greenhouse gas emissions in Japan and overseas

Livestock belches and excretions contain greenhouse gases such as methane. The greenhouse effect of methane is 25 times as potent as CO₂, so countermeasures are needed on a global scale. Therefore, we recognize that livestock-derived greenhouse gas emissions are a major issue. In Japan, we are pursuing industrial-academic collaborative research through joint research projects with each of Hokkaido University, Osaka University, and Tokushima University. These efforts focus on two methods. One is curbing methane emissions, while the other is capturing and using emitted methane. Going forward, we will aim to contribute to mitigating global warming by developing and finding social applications for relevant technologies.

Reusing more than 80% of wastewater through the installation of advanced wastewater treatment equipment

Since January 2022, Nippon Clean Farm Ltd. has been using advanced reverse osmosis (RO) water treatment equipment at its Dounan business site. This equipment uses an RO filter to filter out impurities from wastewater. The filtered water is then reused for tasks such as cleaning. More than 80% of treated water can be reused which helps to reduce water intake.

Activity
02



Becomes
useable water

Activity
03



Restoring forests for future generations through participation in Afan Woodland Restoration Activities

Under its vision of "Expanding Japan's richly diverse woodlands for a healthy, peaceful, enriching society," the C.W. Nicol Afan Woodland Trust is an organization that engages in activities such as purchasing deteriorated forests, restoring these as a habitat for diverse life, and providing educational activities for children. We identify with the group's aims and since 2005, we have been supporting its activities as an official sponsor and participating in reforestation efforts at the Afan Woodland in Shinano, Nagano Prefecture.

Activity
01



CH.N.F.
We will operate three establishments in the first-floor food hall as a hub for communicating the Group's message

Advancing a new style of regional development that combines recreation and community building

Hokkaido Ballpark F Village is a co-creative community space created through a partnership of diverse private, public, and academic partners. The facility is centered around a ballpark, so we are working with partners to build a new community that combines baseball with other business and markets under the concept of "a facility that offers baseball and more." The NH Foods Group aims to be an enterprise loved and trusted by local communities and society as a whole, as we walk and grow together, deepening ties formed through food and sports.

Developing and marketing protein deli dishes through an industrial-academic collaboration with a university

Naka Nippon Food, Inc. collaborated with Osaka Seikei University on a project with the theme of promoting soy meat. Together with fourth-year students from the university, it developed and marketed protein deli dishes. The students developed a lineup of dishes using the company's soy meat and the company also provided advice on matters such as marketing, sales promotion measures, and communicating with distribution partners. As a result, the developed products went on sale at four actual supermarkets for two weeks. About 300 surveys were collected from people who bought these products, which were used to analyze consumer awareness. A research paper summarizing this initiative won the grand prize out of 50 teams at the Agriculture Competition in 2022, a competition for research on Japanese agriculture and food by university students. The project has now been taken over by students from the year below and they are currently working to make improvements before launching a second round of sales.

Activity
02



Activity
03



An activity at KidZania Fukuoka

Teaching the importance of food through sausage making experiences

NH Foods Ltd. operates sausage making pavilions as an official sponsor of KidZania facilities, which are facilities that enable children to experience work and social participation, with the goal of raising the interest of children in making food and fostering an appreciation for delicious foods. After opening pavilions at KidZania Tokyo and KidZania Koshien, it set up a sausage factory* at KidZania Fukuoka, which opened in July 2022. By taking part in activities such as a sausage production experience, the children learn valuable lessons about the care that goes into making delicious sausages and the importance of hygiene management when handling foods. Going forward, we will continue to find fun ways to contribute to the healthy growth of children.

* The pavilions at KidZania Tokyo and KidZania Koshien hold sausage making workshops in which children get to make sausages by hand.

Activity
01



A round-table meeting between the fiscal 2022 award winners and the president

Fostering a corporate culture of bravery through an awards system for individuals

NH Foods Ltd. is working to foster a corporate culture that enables employees to pursue challenges and acquire a sense of growth by providing them with opportunities to take on various challenges through their work and a range of initiatives that allow them to select and learn the knowledge and skills they require.

Since 2021, it has been operating a system that recognizes individual employees who contribute to the realization of Vision2030. This initiative not only raises the motivation of award winners, but also contributes to fostering a drive to take on challenges across entire workplaces as successful examples are shared on a company-wide basis.

In addition to this company-wide awards system, the company is also enhancing initiatives such as an awards system for business divisions and departments with the goal of creating an organizational culture in which employees can independently take on challenges within a framework that ensures their efforts are evaluated appropriately.

Activity
02

Enhancing support systems for balancing work with child and nursing care

We are enhancing systems that foster work environments where employees can balance work with child and nursing care to ensure that everyone in our increasingly diverse workforce can participate fully and without hesitation. In fiscal 2022, NH Foods Ltd. introduced special leave (20 days, including five days which must be taken consecutively) for employees taking paternity or childcare leave with the aim of raising the percentage of male employees taking childcare leave to 100%. For employees who are pregnant or who have childcare or nursing care commitments, it has introduced a flextime system in addition to the previous shortened working hours system, to help employees find workstyles that fit around their life situation.

Employee interview

Factors such as colleagues taking childcare leave have created an environment which makes it easy to take leave, so requesting leave myself felt natural. Over my month of childcare leave, I got to fully experience how tough it is to look after a baby and I was also able to spend time with my wife and her parents. I'm very glad I took it. The members of my department all worked together so that the periods before taking leave and after I returned were navigated smoothly and without any serious confusion.



Shunsuke Yamagata
Quality Assurance
Department
NH Foods Ltd.

Supervisor interview

In our department, we have a buddy system in which two members are paired up to provide support for each other. This means that when one person takes leave, it does not disrupt the workflow. Also, in this case, we reorganized our work load for during the leave period as a team. When Mr. Yamagata returned to work, he understood the importance of family time, so he started exploring ways to make operations more efficient and to raise productivity. This also had a positive effect on the people around him. It was an excellent opportunity to think about work-life balance harder than I had before.



Toshiyuki Kajiyama
Quality Assurance
Department
NH Foods Ltd.

Activity
03

Introducing subscription-based e-learning to encourage self-directed learning

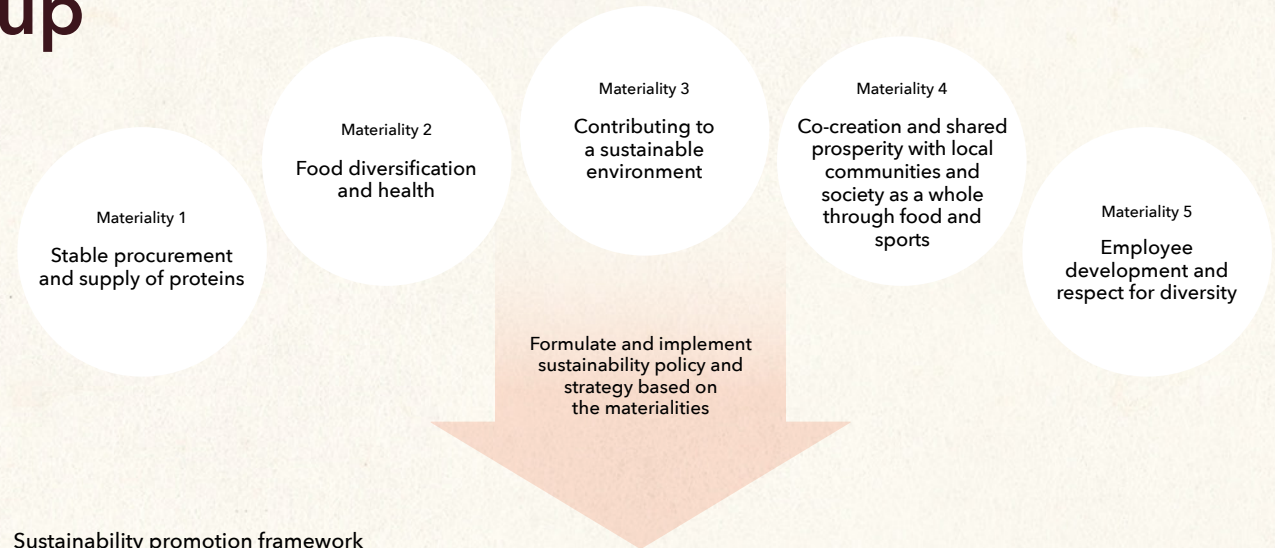
In fiscal 2023, we introduced a subscription-based e-learning system, which enables employees to choose freely from a range of educational courses, in order to provide support for reskilling. It differs from the self-development courses we have used to date in that it has a wide range of content and can be accessed through smartphones and tablets, meaning that all employees can use the system no matter where they are located. We think that enabling each employee to take control of their own career and acquire skills that will help them make an impact within the company will lead to not only individual growth, but also organizational growth.

Sustainability at the NH Foods Group

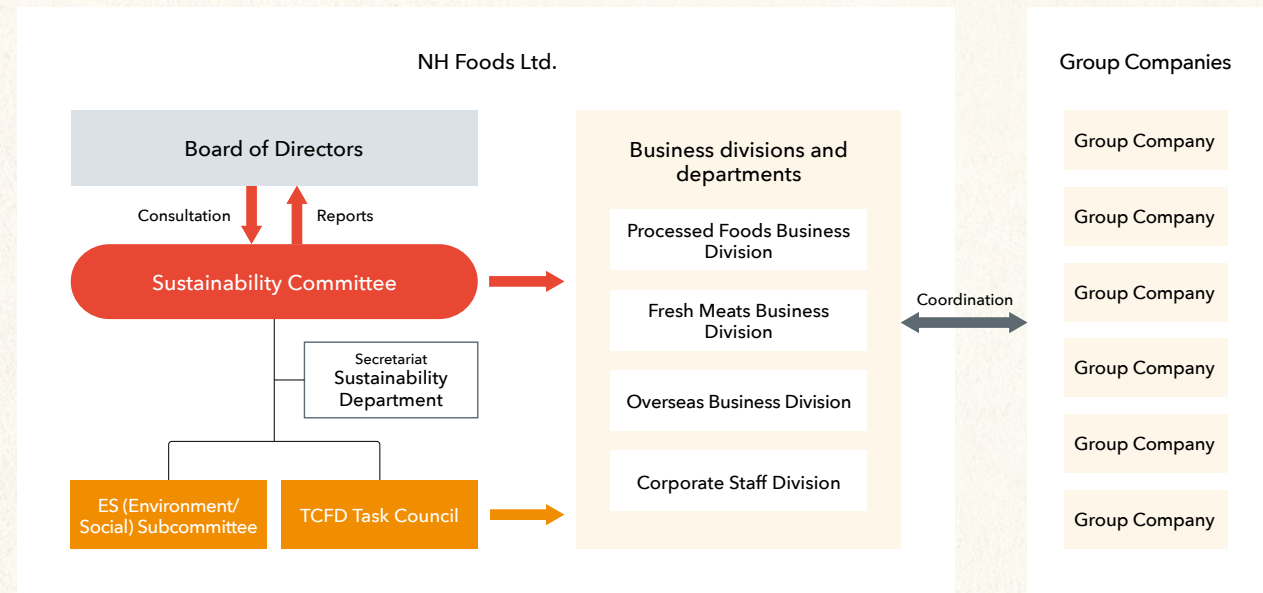
The NH Foods Group has established a Sustainability Committee with the chairperson and director of NH Foods Ltd. serving as chair. In principle, the committee meets at least once every quarter. It hears the opinions of external experts and outside directors and carries out activities such as formulating sustainability policies and strategies, as well as checking the progress being made on initiatives at each Group company. Details of the committee's discussions are compiled into a report which is presented to the Board of Directors.

The ES (Environment/Social) Subcommittee and TCFD Task Council operate under the committee and comprise the director in charge of sustainability and the heads of major departments and divisions. They have been tasked with formulating specific strategies that correspond to discussions by the committee and developing measures to be carried out by business divisions.

The Five Materialities



Sustainability promotion framework



Sustainability promotion system

Organization entity	Role	Organization	Frequency
Sustainability Committee	Formulate the Group's sustainability policy and consider 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	Ensure the strategies determined by the Board of Directors are implemented as specific measures at business divisions and formulate initiatives and indicators for key issues.	<ul style="list-style-type: none"> • Director in charge of sustainability • Heads of departments and sections 	4 times / year
TCFD Task Council	Evaluate the risks and opportunities accompanying climate change and formulate potential scenarios	<ul style="list-style-type: none"> • Director in charge of sustainability • Officer in charge of overall management at each business division • Heads of departments and sections and other employees responsible for TCFD 	2 times / year

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.

Main initiatives and organizations of which the Group is a member

United Nations Global Compact (UNGC)

The world's largest sustainability initiative which is being jointly advanced by the UN and the private sector (corporations and organizations) with the goal of building a healthy global society.

TCFD Consortium

An organization established with the aim of facilitating discussion between companies regarding effective information disclosure and appropriate initiatives in relation to the Task Force on Climate-related Financial Disclosure (TCFD).

RSPO (Roundtable on Sustainable Palm Oil)

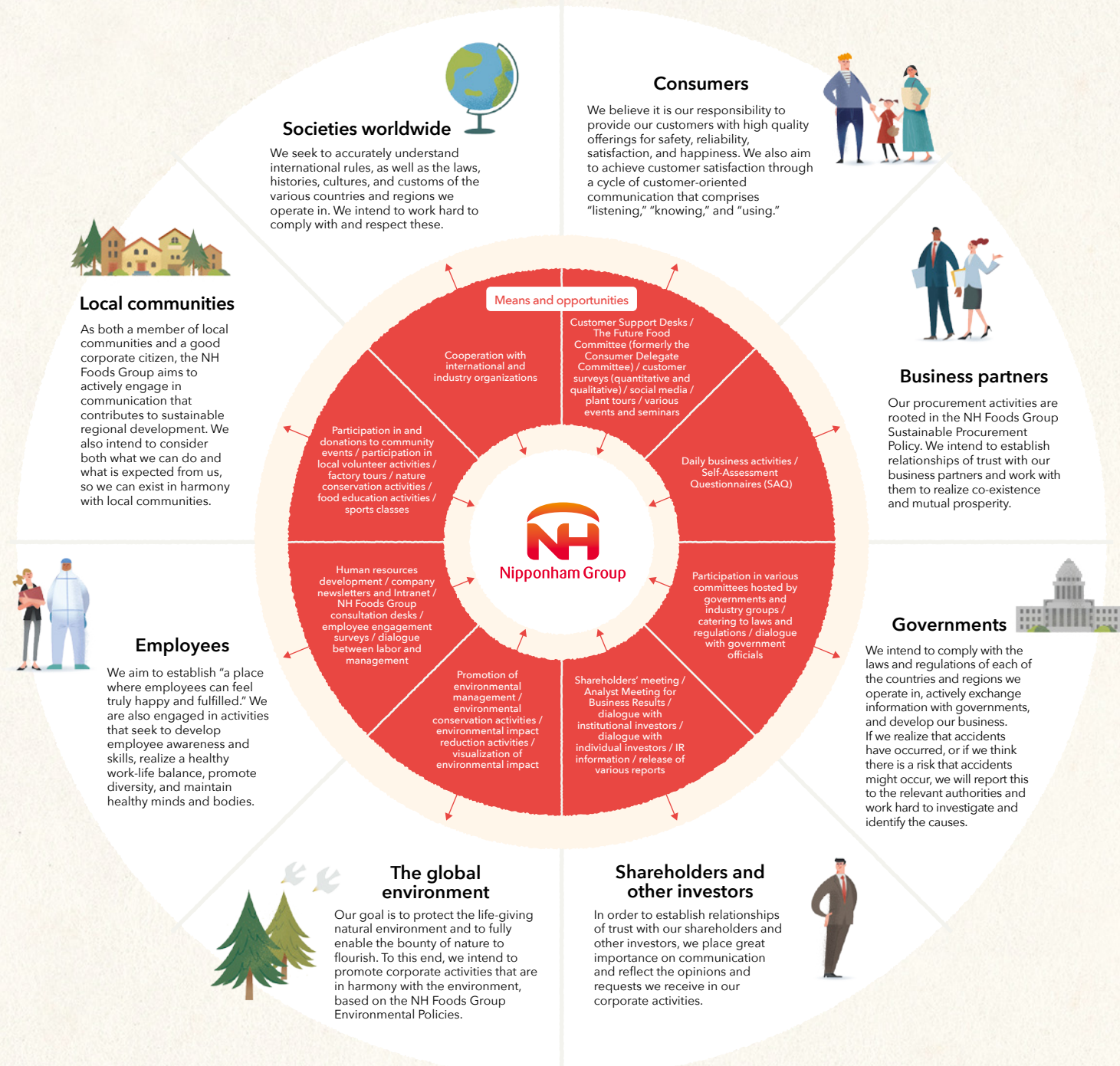
An international non-profit organization which has built and operates a certification system that has become the standard for sustainable palm oil, and which encourages the production and distribution of such oil.

CGF (The Consumer Goods Forum)

An international industry association for major manufacturers of foods and consumer goods and major retailers. As of July 2023, it has around 400 member companies from over 70 countries.

TOPICS Exchanging opinions with stakeholders

On November 14, 2022, representatives of NH Foods Ltd.'s Tokyo Branch Office met with Chihiro Okada and Sayuri Kitaho from NPO Animal Rights Center to exchange opinions concerning animal welfare. The exchange was successful, with Ms. Okada and Ms. Kitaho sharing information on topics such as the global situation regarding livestock feeding and the Tokyo Branch explaining the Group's initiatives.



NH Foods Group products

Our business began with the production of ham and sausages. It has since expanded to cover a wide range of food categories, including fresh meats, processed foods, seafoods, and dairy products, and we now deliver the *Joy of Eating* to people in all kinds of places.



Corporate overview

Business operations in **18** countries
and **501** regions worldwide*1



The vertical integration system, a world-leading business model



The vertical integration system, a system in which the entire production process, from livestock breeding and rearing through to processing and then sale is conducted within the Group, is our greatest strength. It enables us to deliver high value-added fresh meat, ham and sausages, as well as carry out a variety of other operations, such as manufacturing and selling products including seasoning extracts made from secondary livestock resources, and functional ingredients, such as collagen.

Group Companies*2 **74** | **46** in Japan, **28** overseas

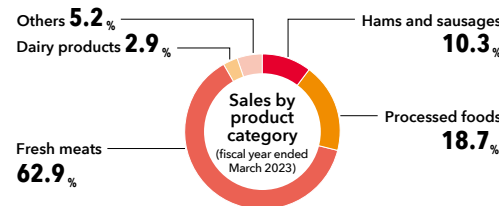


Group employees*3 **27,050**
21,068 in Japan, 5,982 overseas



Company Name	NH Foods Ltd.
Headquarters	BREEZE TOWER, 4-9, Umeda 2-chome, Kita-ku, Osaka, Japan
President and Representative Director	Nobuhisa Ikawa
Date of establishment	May 30, 1949
Capital	¥36,294 million (as of March 31, 2023)
Settlement period	End of March
Net sales	¥ 810,307 million (March 2023, non-consolidated) / ¥ 1,259,792 million (March 2023, consolidated)
Total number of shareholders	61,320 (as of March 31, 2023)

Group consolidated net sales **¥ 1,259.8 billion**



*1 The number of countries includes those where our representative offices are located. (As of April 1, 2023)

*2 Includes subsidiaries by the equity method (As of April 1, 2023)

*3 Includes the annual average number of contract employees (As of March 31, 2023)

Coverage

NH Foods Ltd. and its 73 consolidated subsidiaries in Japan and overseas (as of March 31, 2023).

Period covered

April 1, 2022–March 31, 2023

Some of the information contained in this report refers to times before or after this period.

Publication date

September 2023

For further information

Sustainability Department, NH Foods Ltd.

Disclaimer concerning forward-looking statements

Forward-looking statements in this report are based on certain assumptions as reasonably determined using information available at the time of publication. Actual outcomes may vary significantly due to various factors.



Unleash new potentials for protein
NH Foods Group Vision 2030



Related information

Stakeholders can access a variety of information through our website.



NH Foods Ltd. website Sustainability page

<https://www.nipponham.co.jp/eng/csr/index.html>



Integrated Report

<https://www.nipponham.co.jp/eng/ir/library/annual/>



Data Book

<https://www.nipponham.co.jp/eng/csr/report/#ac02>

