



NH Foods Group

Sustainability Report

2024



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 Materialities 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.





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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.

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Aiming to help people enjoy happier, healthier lives by working in harmony with the global environment, which produces the bounties of nature

Nobuhisa Ikawa President and Representative Director

In addition to manufacturing and marketing ham, sausages and processed foods, the NH Foods Group is also engaged in livestock farming, making us a rare presence within the food industry. Considering these business characteristics, we believe we have a mission to contribute to the sustainable development of the global environment, society, and the livestock industry in Japan.

We are constantly working to achieve this mission through efforts such as reducing livestock-derived greenhouse gas emissions, practicing animal welfare, and developing and promoting the PIG LABO® smart pig farming system, which reduces the workloads of livestock farmers. We also carry out and disclose analysis and assessments under the Taskforce on Nature-related Financial Disclosures framework with the aim of protecting biodiversity, which has an impact of livestock farming processes such as feed production. Going forward, we will engage in co-creation with ZEN-NOH under a business partnership concluded in July 2024, and take on the challenge of realizing carbon neutral farms that will provide new value for the Japanese livestock industry of the future.

Furthermore, we recognize that reducing the amount of plastic used in the packaging of our processed food products is an important issue. We have been engaged in efforts to improve packaging for over 20 years, and two years ago, we significantly accelerated these endeavors by upgrading the packaging of our mainstay product *Schau Essen*. Going forward

we will continue to improve the packaging design of a wide range of products, especially our biggest sellers.

At Hokkaido Ballpark F Village, which we opened in March 2023 with the aim of creating a new symbol for Hokkaido, we have been working with the national and regional governments, local business operators, and other stakeholders on the concept of co-creative community spaces, and this has led to the creation of a variety of facilities and spaces. We have also positioned Hokkaido Ballpark F Village as a “food theme park” which acts as a hub for sharing food-related information. Our aim is to realize a facility that can be enjoyed by not only baseball fans, but also a wide range of other visitors. Using the ballpark as a starting point, we are adding food, lodging, entertainment, and educational functions to advance unprecedented regional development that continues to provide new value.

Additionally, in April 2024, we established the four pillars of sustainability as a sustainability strategy that aligns with the policy measures of Medium-Term Management Plan 2026. We plan to revise our current materialities, taking changes in the external and business environments into account.

By implementing this sustainability strategy, we will aim to help people enjoy happier, healthier lives by working in harmony with the global environment, which produces the bounties of nature.





We will accelerate challenge and co-creation initiatives to realize a sustainable future.

Masahito Kataoka Director and Vice President (in charge of sustainability)

Achieving stable supplies of protein

The NH Foods Group has a unique and important mission to provide society with stable supplies of protein. We achieve this through operations centered on the two pillars of livestock farming, which generates the proteins required in people's diets, and the manufacture and supply of food products.

However, the environment around the protein business includes issues to be addressed, such as a decline in the number of livestock farmers and the environmental impact of livestock farming and food production facilities. To overcome these issues, we think it is important to take action under the themes of sustainable livestock farming and global environmental conservation in order to realize stable supplies in a way that is considerate of the environment and society.

Contributing to solutions to various issues in the Japanese livestock industry

The livestock industry is essential to protein supplies but the issues it is facing are growing more diverse and complex, including climate change, a decline in the employable population, and a lack of successors for farms. We understand the urgency of this situation and under the belief that rather than trying to solve these issues by ourselves, we need to address them together with the entire industry, we have entered into a business partnership with the National Federation of Agricultural Cooperative Associations ("ZEN-NOH"), an organization that supports the Japanese livestock industry, and together, we have launched a livestock co-creation project. This project will fully leverage our respective strengths to provide customers with stable supplies of protein and to make livestock businesses more efficient.

Also, to reduce livestock-derived greenhouse gas emissions, we are collaborating with universities on research into curbing methane emissions generated by livestock digestive tracts and on the realization of circular agriculture. Going forward, we will work with a wide range of partners to pursue ways of making the livestock industry more sustainable from various angles.

Advancing our response to climate change and the effective use of resources

Since fiscal 2024, in addition to targets for reducing fossil fuel-derived CO2 emissions, we have set new targets for reducing plastic use. In 2022 we changed the packaging of Schau Essen, achieving a 28% reduction. Even before that, for over 20 years we strived to use less plastic by making packaging thinner, but the *Schau Essen* initiative was the start of efforts to accelerate our efforts in line with the times. This has included removing trays from the packaging of the *Chuka Meisai* series, reducing the size of the trays in the *Ishigama Kobo* series, and adopting biomass packaging materials.

We will continue working to reduce the amount of plastic used in product packaging while ensuring products remain safe.

Taking on the challenge of creating new value in various domains

To ensure the ongoing growth of the Group's business into the future, we think it is important to continue leveraging our strengths in the food sector while also creating value in new business domains. For example, at Hokkaido Ballpark F Village, which opened in 2023, we are working with various partners, including the local government and other companies, to realize a co-creative community space that can rejuvenate the local community and contribute to society.

We think that by attracting a wide range of different facilities, we can create a hub for interaction and exchange between people of all ages, from children to adults. Additionally, a new station is due to open in 2028 which will make the site even more

accessible. We are taking on the challenge of developing a totally new kind of community that everyone will want to take part in.

Formulating a sustainability strategy with the aim of realizing a sustainable society

In April 2024, we formulated a sustainability strategy that aims to contribute to enjoyable and healthy lives, and achieve harmony with the global environment that nurtures the bounty of nature. This strategy is centered on the four pillars of sustainability: "Provide the *joy of eating*"; "Create new value"; "Protect the global environment"; and "Strengthen the resilience of the business base". Within these, particularly important themes have been positioned as materialities.

We will implement this strategy to solve social issues through our business activities and contribute to the realization of a sustainable society.



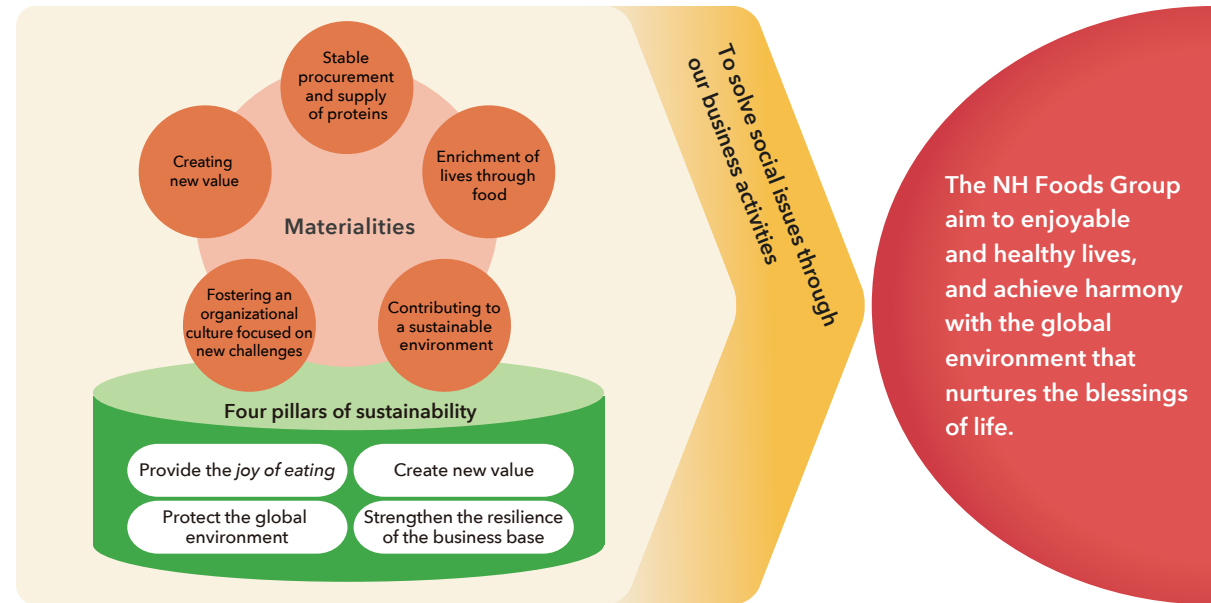
We formulated a new sustainability strategy

Sustainability initiatives are becoming an increasingly important aspect of corporate management. Companies need to address environmental issues such as climate change, as well as a wide array of social issues, including issues involving human rights and human capital. In the livestock farming industry in particular, international attention is being paid to issues such as livestock-derived greenhouse gas emissions and consideration for biodiversity in relation the use of land for rearing and water usage. Also, in Japan, a solution needs to be found for labor shortages at livestock farms.

In April 2024, in conjunction with the formulation of Medium-Term Management Plan 2026, we formulated a new sustainability strategy in order to solve social issues through our business activities, contribute to enjoyable and healthy lives, and achieve harmony with the global environment. This strategy comprises the four pillars of sustainability: "Provide the *joy of eating*"; "Create new value"; "Protect the global environment"; and "Strengthen the resilience of the business base".

We will also revise our materialities in accordance with changes in the business environment and accelerate initiatives addressing priority issues. For example, in the environmental domain, we have set a target for reducing the amount of plastic use as one of our goals for realizing Vision2030 and are working to achieve it.

In this way, we will balance business strategy with sustainability strategy so we can contribute to the realization of a sustainable society.



Four pillars of sustainability

Provide the *joy of eating*

We will continue to deliver the excitement of delicious flavors and the joy of good health with the aim of contributing to healthy lifestyles. We will achieve this through the ongoing supply of products containing the proteins the body needs and by responding to diversifying lifestyles and values.

Create new value

We will take on the challenge of creating new business through co-creation based on new ideas with a wide range of partners, centered on the proteins that are our strength.

Protect the global environment

We will conserve the global environment which nurtures the bounty of nature that is the source of protein by reducing the environmental impact of our entire supply chain and engaging in business activities that are in harmony with the environment.

Strengthen the resilience of the business base

In these times where the outlook is uncertain, we will swiftly and accurately identify changes in society and build a flexible and strong business foundation by providing protein products and adapting to the unique issues we face as a company with a livestock business.

The NH Foods Group aim to enjoyable and healthy lives, and achieve harmony with the global environment that nurtures the blessings of life.

What we can do to realize a sustainable future

The global population has passed eight billion people and continues to grow and it is forecast that in 2050, food problems accompanying this population growth, as well as the effects of climate change, will become increasingly severe.

Furthermore, Japan is also expected to face challenges in the form of a super-aged society and the overconcentration of people in urban areas.

Within this environment, many people, companies, and municipalities are advancing activities that aim to create a sustainable future that is kind to both people and the planet.

The NH Foods Group is engaging in co-creation with a wide range of partners and advancing various measures toward realizing a future where people can live happy, healthy lives in harmony with the global environment.

Sustainability strategy



Goal

We aim to enjoyable and healthy lives, and achieve harmony with the global environment that nurtures the blessings of life

Evolving product packaging to reduce plastic use

If food products are not properly packaged, then it can lead to issues such as mold growth or holes in the outer packaging, which means they can no longer be delivered to customers safely. Product packaging is essential to maintaining the safety and freshness of foods. However, this packaging also becomes waste after consumption, so we are taking on the ongoing challenge of reviewing the packaging of our products in order to use resources effectively and reduce plastic use, while still maintaining product quality.

Over 20 years
of reducing resources
used in product packaging!

We have been working to reduce the packaging of our products, including the amount of plastic, for over 20 years, including making the film used to wrap *Mori-no-Kaori* products thinner and using thin film as the base packaging for *Entier* products.



Cutting the *Schau Essen* topknot as a symbol of our evolution!

28% reduction
in the annual amount of plastic used!

By cutting the "topknot haircut" section of the previous *Schau Essen* packaging, we have cut the amount of plastic used by 28%*1, equivalent to 248 tons*2 of plastic 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

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*, *Winnie*®, and *Mori-no-Kaori* for sale from 18 mm to 15 mm.



New packaging (non-tray)

Previous packaging (plastic tray)

Chuka Meisai series

Accelerating the reduction in plastic use through the “non-tray” concept

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



Ishigama Kobo series

The big challenge of using small trays!

For the *Ishigama Kobo* series of chilled pizzas, we reduced the size of the tray placed under the product to reduce the amount of plastic used by 2.4% (compared to the previous tray). We also added ecolabels to the packaging to communicate this initiative to customers looking at the product.



Drink products produced at our factories

Enriching the planet and lives through sustainable straws!

New straw



For all chilled drink products produced at our factories, such as *Vanilla Yogurt Drink* and *Torokeru Lassi Mango*, we have switched the straws attached to containers from regular plastic ones to straws containing 5% environmentally friendly biomass polyethylene.

Other plastic reduction initiatives

-  Winnie Mini (reduced packaging)
-  Kanade series (switched from plastic to paper trays)
-  Kiwamiyaki Wafuu Orosi Hamburg Steak (shrunk tray size)

Initiatives

Co-creating sustainable neighborhoods where diverse people can gather and interact

We opened Hokkaido Ballpark F Village ("F Village") in March 2023 and since then, we have worked to make it a co-creative community space that brings together fans, partners, and other local stakeholders, enlivens the local community, and contributes to society. From the very first year, we have engaged in various activities centered around food and sports, and going forward, we will deepen co-creation with partners to advance sustainable community development.

Community development at F Village



March 2023
Opening

October 2023

Conclusion of a basic agreement with a local university

We concluded a basic agreement with the Health Sciences University of Hokkaido on matter such as moving its campus into F Village. We will collaborate on initiatives to realize appealing community development, including exploring ways to make F Village into an urban park and establishing coordination for times of disaster.

New!



June-August 2024

Opening of a medical center and a senior rental residence

We have opened the medical center F Village Medical Square and senior residence Masters Varus Hokkaido Ballpark. By operating these facilities, we are adding to the peace of mind of everyone in F Village and the surrounding area, helping people of all ages, from children through to the elderly, to remain healthy, and contributing to regional healthcare.

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Next!

Summer 2028 (planned)
Opening of a new station



©H.N.F.

From the ballpark to all of Japan!

For two months, a food truck selling Schau Essen Hotdog, which is usually only available at the F Village food hall, travelled across Japan to bring a ballpark gourmet experience to people who would not normally get to enjoy it.



Food from all over Japan at a limited-period event!

We carry out various campaigns to enable visitors to F Village can enjoy gourmet foods from not only Hokkaido, but also from all over Japan, including holding the Zankara Matsuri by Sakurahime and Tokachi Meat Festival events under the heading Hokkaido Meat Festival 2024, and distributing Schau Essen at the Nippon-Ham Fighters' midsummer festival.

Activities as a hub for communication centered on food!

F Village aims to advance a completely new style of community development in which the ballpark is not just a place to watch baseball, but also a place that can be enjoyed freely and where everyone will want to keep going to experience excitement and inspiration. As a big part of achieving this, we are also operating the site as a hub for communication centered on food.

bon appetit



Nanatsuboshi Yokocho, where a variety of different foods can always be enjoyed

Nanatsuboshi Yokocho is food hall styled like a side street where visitors can find restaurants handpicked from all over Japan, serving many different types of food. It is the perfect place to enjoy a variety of occasions together with family and friends.



EAT!!



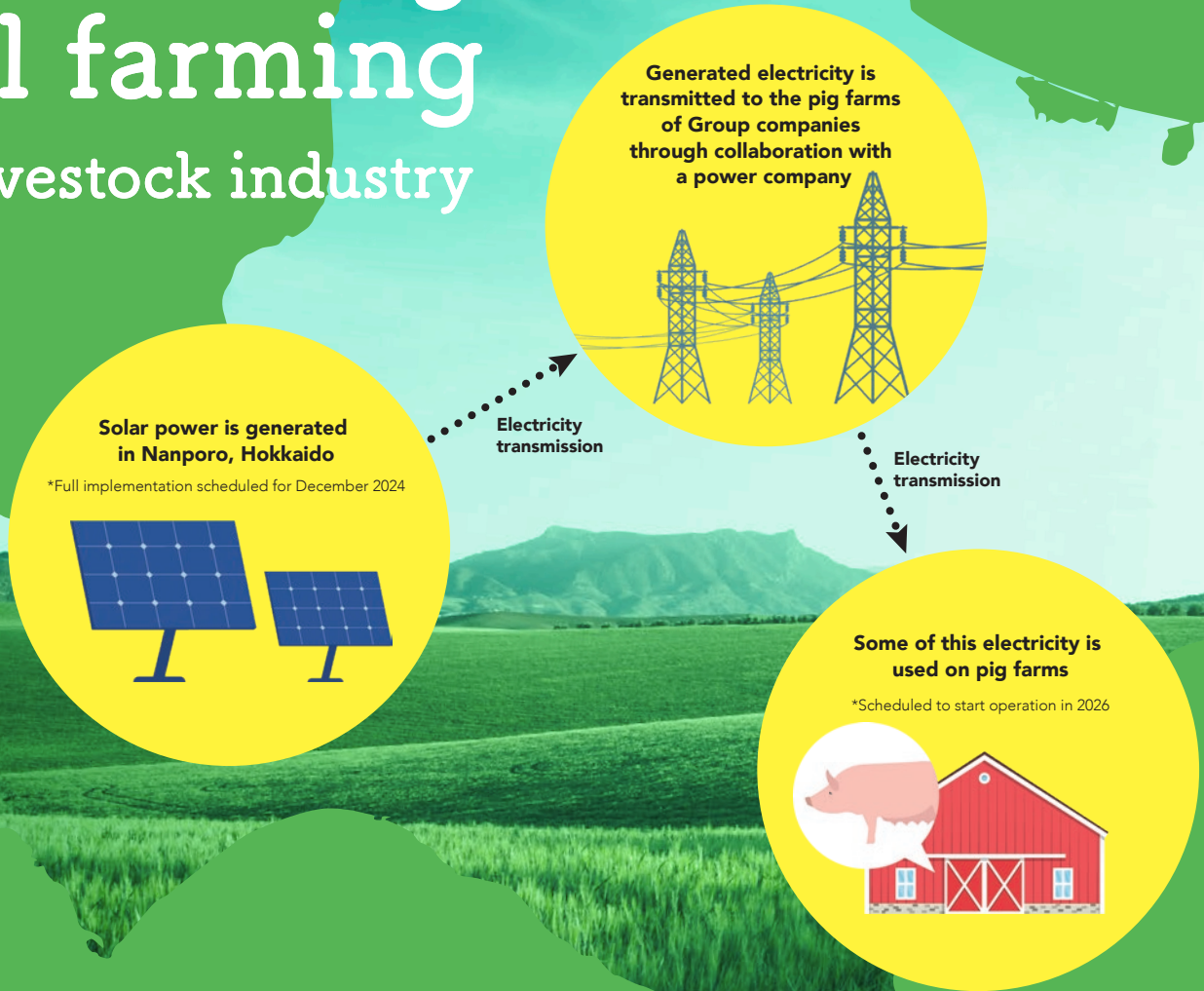
Initiatives

Taking on the challenge of carbon neutral farming to realize a sustainable livestock industry

In order to realize stable supplies of safe, high-quality protein, we will support sustainable livestock farming in which limited resources are used with care.

One way in which we will achieve this is by taking on the challenge of carbon neutral farming, or in other words, operating farms that have realized net-zero greenhouse gas emissions generated by fuel and electricity consumption and livestock rearing.

To reduce greenhouse gas emissions from fuel and electricity consumption, we will use energy generated by solar power and make energy usage more efficient. To reduce livestock-derived emissions, we are considering using carbon credits linked to livestock business in Japan. The aim of these efforts is to achieve net zero emissions. We have set the goal of having these farms operational by 2026 as a first step toward sustainable livestock farming.



Greenhouse gas emission sources at farms

Fuel

- Pig house heating
- Vehicles for transporting pigs
- etc.

Electricity

- Large-sized fans
- Water purification equipment
- etc.

Livestock

- Flatulence
- Excretion disposal
- etc.

NH Foods Group Materialities

While formulating Medium-Term Management Plan 2026, we also reviewed and redefined our materialities to reflect changes in the business environment and social conditions.



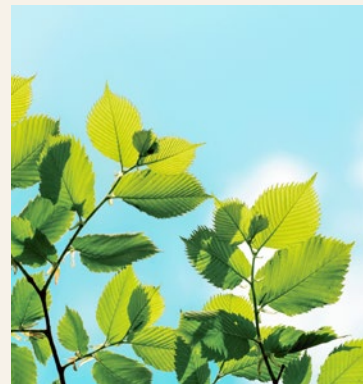
Stable procurement and supply of proteins

We will continue to provide a stable supply of protein, which is essential for human life, into the future by earnestly engaging with the challenges faced by the livestock industry.



Enrichment of lives through food

We precisely identify changes in society, and provide products and services that exceed the expectations of our customers. We create a new "joy of eating" by discovering latent needs and through unconventional and unfettered thinking.



Contributing to a sustainable environment

We are grateful for the blessings of nature and life, and will actively work to resolve environmental issues through our supply chain so that we can pass on a bountiful global environment to future generations.



Creating new value

Freed from convention, we work with a variety of partners to create new value in the form of unprecedented products, services, and experiences.



Fostering an organizational culture focused on new challenges

We will foster a corporate culture in which each and every one of our diverse employees can take the initiative and continue to engage in the challenge of transformation.



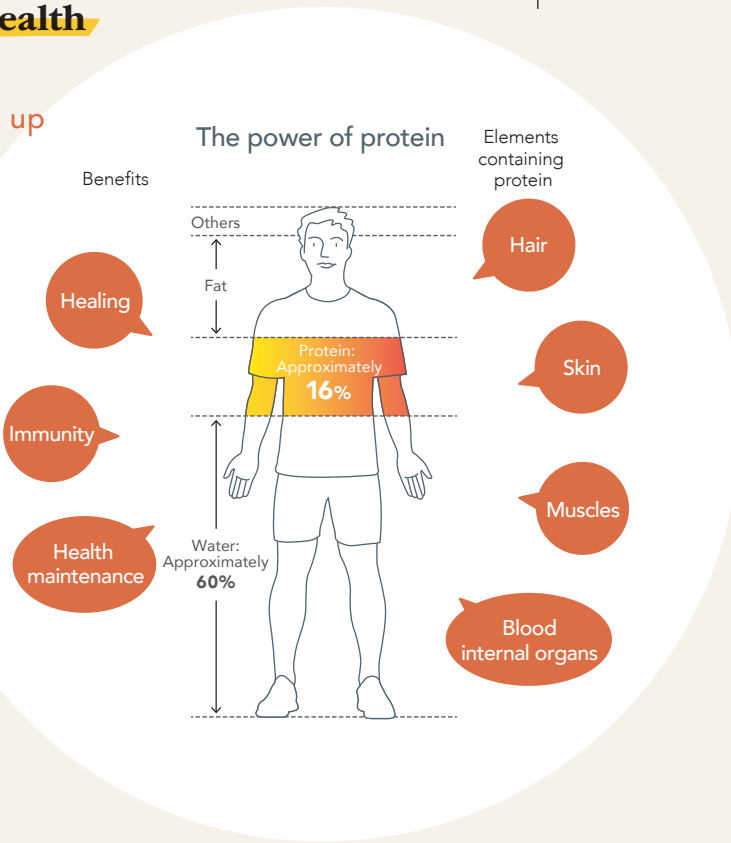
Proteins and physical and mental health

The NH Foods Group was founded to manufacture ham and sausages from the bounties of nature. Since then, we have expanded our activities to include processed foods, processed marine products, lactic acid drinks, and dairy products. In the fresh meats category, we are able to supply high-quality products reliably from our own pig and chicken farming operations in Japan, as well as from our dependable partners in Japan and overseas. With a history of supplying protein in various forms for over 80 years, we are today one of Japan's leading suppliers of protein products.

Proteins and physical health

Essential nutritional elements making up 20% of the human body

Proteins are substances created by linking together 20 types of amino acids. They are essential nutritional elements that make up approximately one-fifth of the human body. In such forms as cell components and collagen, proteins are building blocks for various parts of the body, including muscles, internal organs, skin, bones, and hair. Proteins are also essential for body growth and internal production of digestive enzymes and immunological substances, and hormones. Nine of the 20 types of amino acids cannot be produced internally and must be replenished through food in order for human beings to remain alive. Proteins enhance the body's healing powers and immunity and stimulate the brain and other internal organs. They also help to maintain the body's balance and create a feeling of well-being. Proteins derived from animals in such forms as meat and milk are especially beneficial because of their well-balanced amino acid content.



Proteins and mental health

Proteins create motivation and well-being

Scientists believe that neurotransmitters play an integral role in mental health. Because all 20 amino acids are needed to synthesize neurotransmitters, doctors recommend that people should combine an adequate protein intake with regular exercise. NH Foods monitors awareness and perceptions of the link between proteins and mental health through the Protein Intake Survey. Data from this survey show that meat is ranked first as the food that people want to eat when trying to improve their health, while proteins are seen as the most important nutritional element for health improvement. These results indicate that consumers see meat and proteins as the source of health.

Top three foods preferred by people wishing to restore their physical and mental energy when tired

1st	Meat	61.1%
2nd	Confectionery, ice cream	48.3%
3rd	Fruit	36.8%

Top three nutritional elements sought by people wishing to restore their physical and mental energy when tired

1st	Proteins	48%
2nd	Vitamins	46.5%
3rd	Amino acids	28.5%

* Extracted from results of the Protein Intake Survey
<https://www.nipponham.co.jp/fun/report/>
 Survey period: May 31-June 7, 2023 Participants: General monitors (n = 683)

Activity report
2

Solving issues facing the Japanese livestock industry

There are concerns that the increasing demand for food caused by global population growth, as well as climate change, will cause protein shortages in the near future. As stable production of fresh meat becomes increasingly important, the Japanese livestock industry faces a variety of challenges, including securing human resources and training successors for livestock farmers, improving working environments, and tackling livestock diseases. As Japan's largest supplier of protein with a focus on meat, we believe that making the Japanese livestock industry sustainable is a social responsibility of the NH Foods Group, and we will continue to contribute to the development of new technologies and human resources.

Activity
01

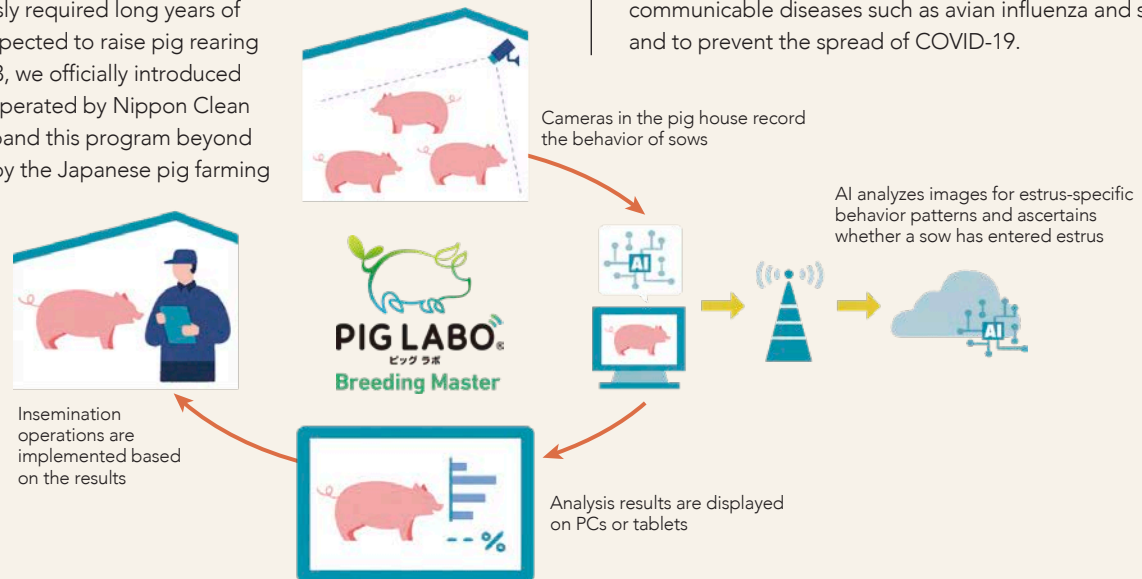
PIG LABO® smart pig farming system

Pig farming involves many tasks that require the skills and experience of veteran farmers, and as Japan's population decline is leading to increasingly serious labor shortages in the livestock industry, the transfer of skills to future generations has become a major focus of concern. NH Foods is working with the NTT DATA Group on the joint development of PIG LABO®, a pig farming support system that utilizes digital technology.

The system uses cameras and sensors placed in pig houses to monitor pig rearing environments with the aim of supporting overall rearing and care, including making assessments of piglet health, confirming estrus in sows, and other factors. AI enables judgements that previously required long years of experience to be made accurately and efficiently, and it is expected to raise pig rearing productivity and improve work conditions. In December 2023, we officially introduced the PIG LABO® Breeding Master program at Raiman Farm, operated by Nippon Clean Farm Ltd., as a first for the Group. Going forward, we will expand this program beyond the bounds of the Group in aims of solving problems faced by the Japanese pig farming and livestock industries.



Nippon Clean Farm Ltd.'s Raiman Farm



Activity
02

Fostering the next generation of human resources

Since 2018, the Group has been providing on-site practical training and university lectures for teaching staff and veterinary medical students at the Obihiro University of Agriculture and Veterinary Medicine under a comprehensive collaboration agreement signed in December 2017. The aim of this program is to contribute to the training of future generations of farmers and the development of the livestock industry. Through training that includes on-site experience in animal health management, disease prevention, and food sanitation, this program provides the young people who represent the future of the livestock industry with knowledge they cannot get from university classes alone. We are contributing to the realization of next-generation human resources development, the rejuvenation of the livestock industry and the fostering of livestock technicians who can work internationally through measures such as providing practical educational programs for students and sharing information so that research findings can be used in society.

In 2018 and 2019, we provided a practical training program which included observation tours of Group farms and processing lines so participants could learn about some of the workflows involved. However, since 2020, we have been holding lectures remotely in consideration of measures to control outbreaks of communicable diseases such as avian influenza and swine fever, and to prevent the spread of COVID-19.

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.

What is animal welfare?

Animal welfare is an approach to raising livestock that aims to reduce stress and suffering and make the animals more comfortable throughout their entire lifespan, from birth through to processing. It advocates five freedoms, including freedom from hunger, thirst, and malnutrition, and freedom from physical and thermal discomfort.

Activity
01

Initiatives to reduce stress in mother pigs

Nippon Clean Farm Ltd., the Group's pig rearing business, is working to reduce the stress of pigs being raised at its Oshamambe Chirai and Oshamambe Ayame Farms in Hokkaido Prefecture and Raiman Farm in Aomori Prefecture by eliminating gestation crates. Reducing the stress of mother pigs raises productivity. We are also installing cameras at all farms and processing plants with the goal of enhancing the quality of livestock rearing environments.



A pig house with no gestation crates (Nippon Clean Farm Ltd.)

Activity
02

Initiatives to reduce stress in cattle and chickens

Whyalla Beef Pty. Ltd., which operates a cattle business in Australia, is working to realize low-stress rearing environments for cattle at its feedlots. For example, it is installing sunshades to protect the cows from direct sunlight and providing water and feed in a way that takes into account safety and sanitation. Additionally, Nippon White Farm Co., Ltd. ensures the raising of chickens is managed appropriately by both directly inspecting poultry houses and using cameras installed in poultry houses.



Sunshades installed in accordance with the number of cattle (Whyalla Beef Pty. Ltd., Australia)



Using cameras to monitor conditions in a farm's poultry houses (Nippon White Farm Co., Ltd.)

Activity report
4

Enabling all people to share the joy of eating

As lifestyles and values become more diverse, the way people eat is also changing, with more people eating alone and families eating together but with different foods. People's food preferences are also diverse, with some prioritizing tasty food, some wanting good food that is safe and healthy, and others wanting food that is easy to prepare. To enable more people to share the joy of eating, we are solving food issues with the aim of developing and delivering products that cater for diverse values.

Activity
01

Table for All for Food Allergy Care

In February 2022, we established Table for All for food allergy care, a comprehensive platform which is the culmination of more than 25 years of efforts by the Group to address food allergies. The platform provides users with useful information on topics such as daily life under the supervision of physicians who specialize in allergies, as well as free nutritional counseling with registered dietitians and over 600 food allergy-friendly recipes. The platform can also be used to buy allergy-friendly products, including NH Food brand products, as well as products from other collaborating companies. Our goal is to provide services that more closely meet the needs of people with food allergies and their families.



Interview with an employee

Under the slogan "Let's help people to eat what they want," we are working to realize a world where anybody can eat freely. We operate an online community on the Table for All for food allergy care platform called Table for Talk that encourages dynamic exchange between users, and we have been told, "Listening to the stories of people with similar worries to myself has given me courage." Going forward, we will listen to feedback directly from our customers and use it to create even better products and services.



Rumi Nagashima
New Business Promotion Department
NH Foods Ltd.

Activity
02

Health promotion initiatives

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 Kansai Medical University, Heiwado Co., Ltd., and Koga Software Inc. and since 2023, we have been implementing a program to prevent frailty in old people, which involves holding seminars on health improvement methods with the potential to reduce physical age by five years. This program is open to elderly people who use Heiwado services and it is held in local community spaces operated by Heiwado. It encourages practical lifestyle changes by combining guidance on protein-rich diets and exercise with the aim of contributing to keeping elderly people healthy and improving their quality of life. In 2024, we launched IMIDEA Energy Mainte, a jelly-type supplement containing imidazole dipeptide and GABA targeted at people who want to stay active no matter how old they are. It contains 250mg of imidazole dipeptide and 100mg of GABA, providing physical and psychological support to people with busy lifestyles.



IMIDEA Energy Mainte



Activities to prevent frailty

Activity report
5

Creating the sustainable future of food

Protein is an essential nutrient for life, but it is predicted that supplies will not be able to keep up with the increasing demand for food created by future global population growth. The NH Foods Group is Japan's largest supplier of protein, so we will engage our creativity without being bound by conventional thought to expand the possibilities of the proteins and to pursue diverse ways to consume protein.

Activity
01

Expanding plant-derived protein products

We provide products made from soy beans and other plant-based ingredients that offer an alternative to meat and fish. By leveraging the ham and sausage technologies we have accumulated to date, we are developing rehydration manufacturing methods and original flavorings to realize foods that have the same taste and texture as real meat and fish. Following on from the release of our NatuMeat series of processed food products, including fried chicken and fried fish fillets, in June 2024, we launched a plant-based tuna sashimi which uses ingredients such as konjac powder and dietary fiber to recreate the taste and texture of raw fish. In September 2023, we established the Japan Soy Meat Association

together with four other food manufacturers that make meat alternatives from soy beans. It aims to promote and develop the soy meat industry by making revisions to Japanese Agricultural Standards and conducting PR activities, including food education.



The NatuMeat series of soy-based foods



Plant-based tuna sashimi

Activity
02



A trial cell-based food product

Research and development on cell-based food

Cell-based foods, which are made from cultured 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. This represents a step forward toward the discovery and realization of a stable way to procure a material required for their production at low cost.

In recognition that responding to climate change is an urgent issue for everyday life and our business activities, we aim to achieve carbon neutrality, which means reducing overall greenhouse gas emissions to zero, by 2050. We are striving to reduce CO₂ emissions associated with our business activities through measures such as using solar energy, converting fuel from heavy fuel oil to gas, using biomass resources such as animal and plant waste oil and livestock manure, and installing energy-efficient equipment.

Activity
01

Introduction of solar power generation

We are advancing the installation of solar power generation equipment within the grounds and on the roofs of our business sites. As of March 2024, 36 solar power generation installations were in operation throughout Japan, generating a total of around 9,500 MWh per year. This equates to a reduction in CO₂ emissions of around 3,800 tons*¹.

In order to achieve our CO₂ emissions reduction target*² by fiscal 2030, we will promote the introduction of renewable energy, including off-site models that use electricity from power generation equipment installed at locations outside of our business sites.

*¹ Calculated based on the CO₂ emission factors of the power company on which each business site which solar power installed purchases, using results for January to December 2023.

*² Reduce fossil fuel-derived emissions in Japan by 46% or higher compared to fiscal 2013 levels and overseas by 24% or higher compared to fiscal 2021 levels by fiscal 2030



The Isesaki Plant of Nippon Pure Food, Inc.



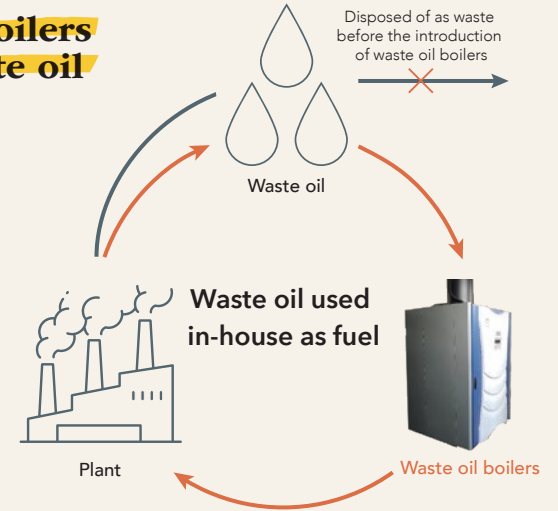
The Shizuoka Factory of Nipponham Factory Ltd.

Activity
02

Introducing boilers fueled by waste oil

Boilers at plants are usually fueled by heavy fuel oil and gas, but we are introducing waste oil boilers that use animal and vegetable oil from the food production process to reduce CO₂ emissions.

At present, we have installed the boilers at six plants and we are considering installing them at multiple others.



Activity
03

Switching to fuels with lower CO₂ emissions

We are switching the fuel used at our factories and farms from heavy fuel oil and kerosene to natural gas and liquefied petroleum gas, which generate fewer CO₂ emissions.

In Japan, for example, this has reduced the proportion of total fuel use accounted for by heavy fuel oil and kerosene combined to around 30 to 40% (based on heating value).

Going forward, we will consider lower-emission fuel.



Hoko Co., Ltd.'s Hachinohe Factory

Our 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.

Activity

01 Making effective use of livestock excretion

We have consistently engaged in the production, rearing, and sale of pigs and chickens in Japan and cattle in Australia. The excretion produced when raising livestock accounts for the largest amount of waste generated within the Group, and despite having a high environmental impact, it can be effectively used as a resource. The Group is therefore engaged in using livestock excreta as ingredients in manure and biofuel to advance sustainable business activities. We have engaged in these resource recycling activities for more than 20 years, and will continue to do so into the future.



Composting underway and an example of the final product

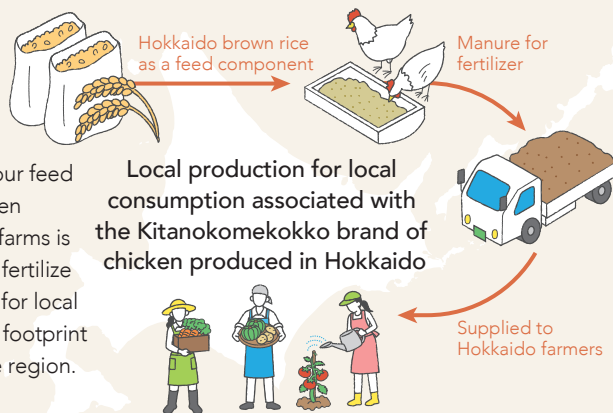


Creating boiler fuel by fermenting methane from livestock excreta

Activity

02 Local production of resources for local consumption

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



Local production for local consumption associated with the Kitanokomekokko brand of chicken produced in Hokkaido

Activity

03 Reuse of water through advanced wastewater treatment

Nippon Clean Farm Ltd. is the NH Foods Group's fresh pork production company. Since January 2022, it has been reusing the wastewater generated in business processes at its Donan Office through the operation of an advanced reverse osmosis (RO) filtration unit which uses RO filtration to filter the impurities from this wastewater. As more than 80% of the treated water is reusable, this method can significantly reduce water consumption. The filtered water is used for cleaning and other tasks.



Becomes useable water



Interview with an employee

Three years have already passed since we took on the challenge of launching the Group's first initiative for reusing the wastewater produced during pig rearing at our farms. We are already reusing treated water for various farm tasks, but we are currently exploring ways to use it in summer, when the temperature of the water rises. Going forward, I want to continue exploring ways to enhance usage methods to discover new possibilities for effectively using this resource.



Kei Shiratori

Donan Environmental Section 1
Donan Production Department 1
Donan Office
Nippon Clean Farm Ltd.

The Group aims to share the excitement of delicious flavors and the joy of good health by helping people stay physically and mentally healthy through the provision of foods and support for a wide range of sports activities. That is why we actively provide sports nutritional support to sustain and nurture professional athletes and share the knowledge gained from this widely through research reports, food education courses, classes and lectures, and other means. This information is useful for meal preparation for people engaging in sports, maintaining good health, and career development.

Activity

01

Supporting the development of professional athletes from the perspective of food

As part of efforts to develop athletes playing for the Hokkaido Nippon-Ham Fighters (baseball), Cerezo OSAKA, and the Cerezo OSAKA Academy (both soccer), certified sports nutritionists and registers dietitians from the NH Foods Ltd. Research and Development Center are providing support tailored to the needs of individual athletes and teams. This support includes nutritional education provided through lectures and individual counseling based on the results of assessments covering body composition, dietary status, knowledge of nutrition, day-to-day condition checks, and other factors. Furthermore, to enhance the effects of this nutritional education, we are creating good dietary environments by providing support to coaches, guardians, and staff handling food preparation.



A nutrition seminar for the Hokkaido Nippon-Ham Fighters



A nutrition seminar for Cerezo OSAKA

Activity

02

Promoting the joy and importance of eating to sports participants and supporters

Certified sports nutritionists and registers dietitians from the NH Foods Ltd. Research & Development Center are appearing at courses and seminars at local government facilities, schools, and other venues to convey the joy and importance of eating to children engaged in sports, as well as their supporters, including coaches and guardians, by discussing episodes regarding nutritional support. We are also supporting the development of future generations by conducting on-site lectures that convey the realities of sports nutrition guidance to students of dietician training courses and sports coaches.



A course at a university



Food education for children

Our founder's spirit

When Group founder Yoshinori Okoso established the Nippon-Ham Baseball, the predecessor to the Hokkaido Nippon-Ham Fighters, he made a commitment to "contribute to society through food and sports." The team celebrated its 50th anniversary in 2024. It will continue to demonstrate the founder's spirit by contributing to keeping people physically and mentally healthy.



Yoshinori Okoso watching a baseball game with members of the Nippon-Ham Fighters youth team

Activity report
9

Food education that teaches the importance of food

Our business starts with nurturing the lives of livestock. Eating means to receive life. Therefore, it is our mission to convey the importance of gratitude for the bounty of nature. Through a variety of food education programs, we seek to convey information on how to eat right, enjoy eating, and value food.

Activity
01

KidZania

As an official sponsor, NH Foods operates establishments at KidZania facilities to foster an interest in food in children and encourage them to feel gratitude for the food they receive. At KidZania Tokyo and Koshien, it provides sausage making workshops (handmade sausage experience) and at KidZania Fukuoka it operates a sausage factory (factory process and hygiene management experience).

Furthermore, in April 2024, it held A Ballpark for Everyone! Out of KidZania, a work experience event for elementary school children at ES CON FIELD HOKKAIDO. Around 1,500 children got the opportunity to experience various types of work around the ballpark, including work related to the operation of Hokkaido Nippon-Ham Fighters games and customer service work in the food hall operated by NH Foods. Going forward, we will continue to carry out initiatives that contribute to the healthy growth of children.



An activity at KidZania Fukuoka



An activity at ES CON FIELD HOKKAIDO



Activity
02



A menu development meeting with students at Kanto Nippon Food, Inc.'s head office

Food education seminars for school children

Kanto Nippon Food, Inc. is engaged in food education activities that aim to support the development of the next generation, promote local production for local consumption, and enhance corporate value.

In Shinagawa City, it held lectures on livestock and protein for university students. After the lectures, students developed menu items based on what they had just learned and there are plans to sell these through a restaurant in Shinagawa City.

Additionally, the Sales Department held food education seminars at prefectural high schools in Gunma Prefecture to teach students about livestock. It is supporting activities that teach high school students about every process involved in producing fresh meat products, from production through to sales. This includes lectures on the different parts of meat and how to cut them, and experience-based learning where the students sell pork they produced themselves at volume retailers within Gunma Prefecture. As these efforts originate from our belief that we have a mission to convey the importance of the bounty of nature, we will continue to carry out activities into the future.

Activity
03

Decorative cutting and embellishing classes



Nipponham Customer Communication Ltd., which oversees the Group's department store and service promotion businesses, holds cooking classes that use products such as ham and sausages and decorative cutting and embellishing classes. These activities aim to provide students with opportunities to enjoy and develop a liking for food through experiences that engage all five senses and to help them to make everyday meals and lunch boxes more decorative.

One of the main themes of NH Foods Ltd.'s Medium-term Management Plan 2026 is to foster an organizational culture focused on new challenges. Its human resource strategies based on this are centered on the three pillars of personal growth, organizational growth, and diversity, equity, and inclusion, and initiatives prioritize the training and recruitment of innovative managers, and career development for diverse people.

For the purpose of these initiatives, we have broadly divided our corporate organization into three categories: the management team, frontline action leaders at the divisional and department manager levels, and general employees. First of all, the management team needs to show leadership and express their commitment to employees. It will also practice effective management and monitoring of progress on these initiatives.

However, to make it easier for employees to take up new challenges, we will advance work style reforms, as well as initiatives such as freeing up time by improving operational efficiency and providing employees with workstyle options according to their life stages. In addition to this, we will develop environments and systems designed to motivate employees by ensuring that the results of their initiatives are properly recognized.

We aim to achieve cultural reform under the current Medium-Term Management Plan through a flow of processes. The management team will set the direction, while action leaders will assess and approve initiatives that reflect the management team's commitment and create an environment in which people can take up challenges.

In fiscal 2024, we incorporated KPIs relating to challenge, innovation, and career development for diverse people into executive officers' commitment sheets, and set targets for the management team through interviews with the President. We will monitor these targets quantitatively and qualitatively on a six-month basis while working to maximize our human capital.

Human resource strategies in Medium-term Management Plan 2026



Activity

01

Personal growth

NH Foods has introduced various career development systems, including career counseling to enable employees to actively design their own career path, as well as the Employee Self-Realization System and an inhouse proposal system, which are available to all employees. In fiscal 2023, we introduced a subscription-based e-learning system, which enables employees to choose freely from a range of educational courses.

In addition to this, we also hold age-based career planning seminars that take both life path and career path into account, and we have introduced award programs, benefit schemes, and support systems that encourage employees to pursue specialist skills and knowledge.

Activity

02

Organizational growth

NH Foods Ltd. is enhancing management processes and specialized capabilities. It has put a particular emphasis on the training of management personnel, including transferring employees in coordination with succession plans. It is also strengthening the implementation of training programs designed to encourage selected personnel to gain the necessary knowledge and skills themselves, before and after transfers. Also, with a view to training and recruiting innovative managers, in fiscal 2022 it set the ratio of mid-career recruits as one of the KPIs in its human resources strategy, and it aims to raise this ratio to 15% or more by fiscal 2026.

Educational programs

Training, etc.

- Training programs for each level of employee
- Training programs with specific objectives (voluntary)
- Training programs for promotion
- Training programs for next-generation executive development



Workplaces

- OJT (practical experience at workplaces)
- Management by objectives (MBO)
- Career counselling
- Self-reporting system

Activity

03

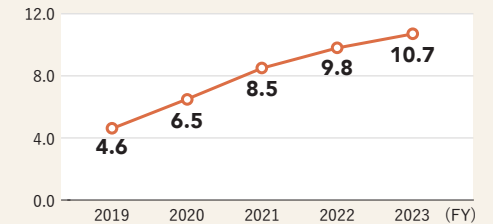
Diversity, equity, and inclusion

We are advancing diversity, equity, and inclusion initiatives that aim to realize workplaces where diverse values are respected and individuals can work energetically.

Career development for women

We are working to prevent female employees having their careers derailed by childcare and other life commitments by enhancing interviews before and after taking childcare leave and changing human resource systems to enable employees to take training and promotion exams during childcare leave. We have also set the target of a percentage of women in management positions of 20% or higher by fiscal 2030 and as of fiscal 2023, this figure is 10.7%.

Women in management positions (%)



Note: Scope: NH Foods Ltd.
Note: Data regarding the percentage of women in management positions at each Group company is described in the Group's Annual Securities Report

Maintaining work environments

We are working to recruit and retain human resources by reducing total working hours, supporting the balancing of work with childcare, nursing care, and treatment of illness, and realizing flexible work styles. In fiscal 2024, we streamlined work processes to improve operational efficiency with the aim of creating time for employees to take on the challenge of new types of work.

Promoting health management

We are promoting health and productivity management based on the Health and Safety Declaration made by the Group's top management team. In 2024, we built a tool that monitors the status of workplace accident occurrence, accident prevention activities, and compliance with relevant laws and regulations, among other factors. In this way, we are strengthening governance related to occupational safety.

Activity report
11

A future of taking on challenges through co-creation

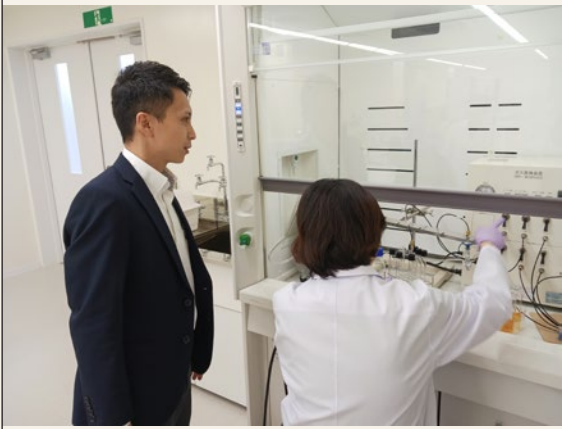
There is a limit to what we can do on our own to solve social issues. We will create new value by working with companies, governments, universities, and research institutes across different industries and fields with a diverse range of knowledge.

Activity
01

Reducing livestock-derived greenhouse gas emissions

We have consistently engaged in the production, rearing, and sale of pigs and chickens in Japan and cattle in Australia, and we recognize that reducing greenhouse gas emissions from livestock production is a major challenge in these businesses.

In regard to methane, which is attracting a large amount of interest from society, we are currently conducting joint research with Hokkaido University, Tokushima University, and producer associations with the aim of curbing methane emissions.



Joint research with Tokushima University

Activity
02

Creating the future together with consumers

We have been holding conversation with regular business people and students in an attempt to discover things we might not realize ourselves. We are collaborating with Nikkei, Inc. to implement the Nikkei Vision of the Future, in which we share our recognition of social issues and challenges with readers of the Nikkei newspaper and then discuss ideas for new businesses with them. Currently people, especially in younger generations, are not getting enough protein*, so in light of this situation, we asked how people can get the protein their bodies need. We will use the ideas received from these readers as a reference for future efforts to solve social issues.

* The 2020 edition of the Dietary Reference Intakes for Japanese published by the Ministry of Health, Labour and Welfare was used as a reference.

Activity
03

Launching a co-creation project with ZEN-NOH

In July 2024, NH Foods Ltd. launched a co-creation project with the National Federation of Agricultural Cooperative Associations ("ZEN-NOH") with the aim of pursuing sustainability in the livestock industry in Japan. The environment around the livestock industry is changing dramatically and the issues being faced are growing more complex and diverse. As Japan's largest producer of processed livestock products, NH Foods will combine its strengths with those of ZEN-NOH, which is responsible for the distribution of agricultural and livestock products and the supply of materials produced in Japan, to contribute to the sustainable development of Japan's livestock industry. Through this project, we aim to realize a society where consumers are provided with a steady supply of animal protein into the future.

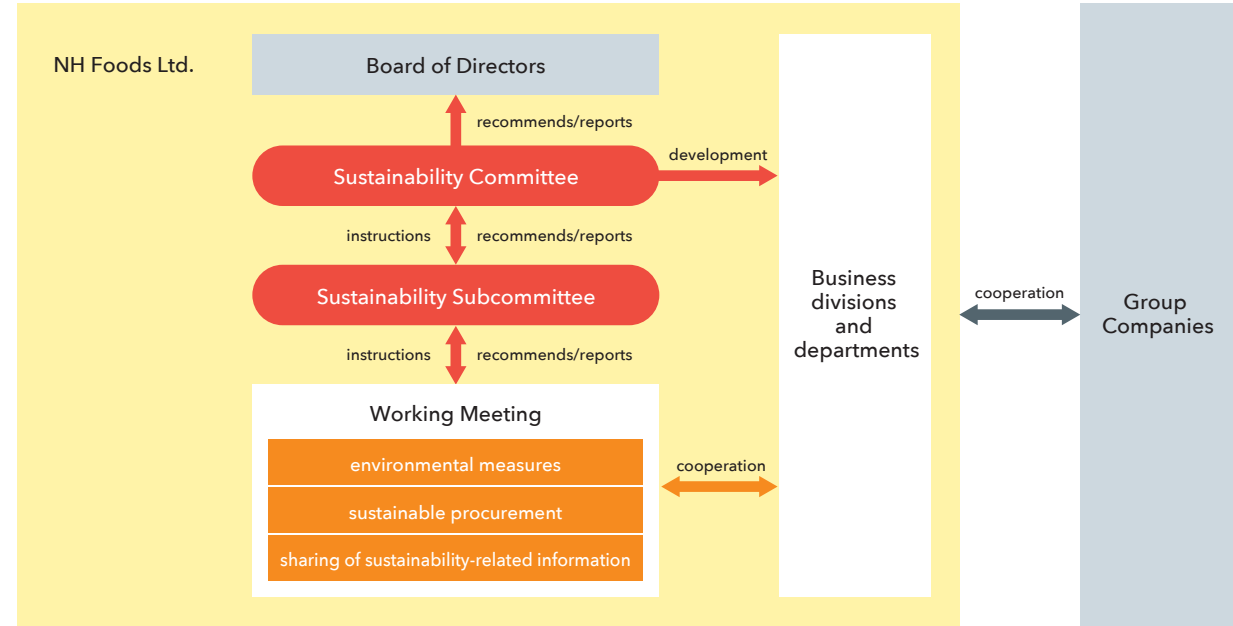
Co-creation project overview

Pursuing sustainability in the domestic livestock industry	<ul style="list-style-type: none"> • Animal welfare initiatives • Initiatives to develop standards for carbon neutral farms • Initiatives to reduce plastics • Improved domestic feed self-sufficiency rate
Establishing a next-generation livestock industry model	<ul style="list-style-type: none"> • Joint research and business development in the livestock sector • Conversion of manure and methane into energy • Utilization of livestock-derived materials
Stable supply of livestock protein	<ul style="list-style-type: none"> • Utilization and coordination of processing facilities • Initiatives to expand the overseas export of domestic products (Wagyu domestically produced beef, etc.) • Product development utilizing domestic livestock products

NH Foods Group sustainability promotion framework

The NH Foods Group has established a Sustainability Committee with the chairperson of the Board of Directors 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. The Sustainability 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. We have also established a Working Meeting to manage environmental measures, sustainable procurement, and the sharing of sustainability-related information, primarily among corporate back-office departments.

Sustainability promotion framework



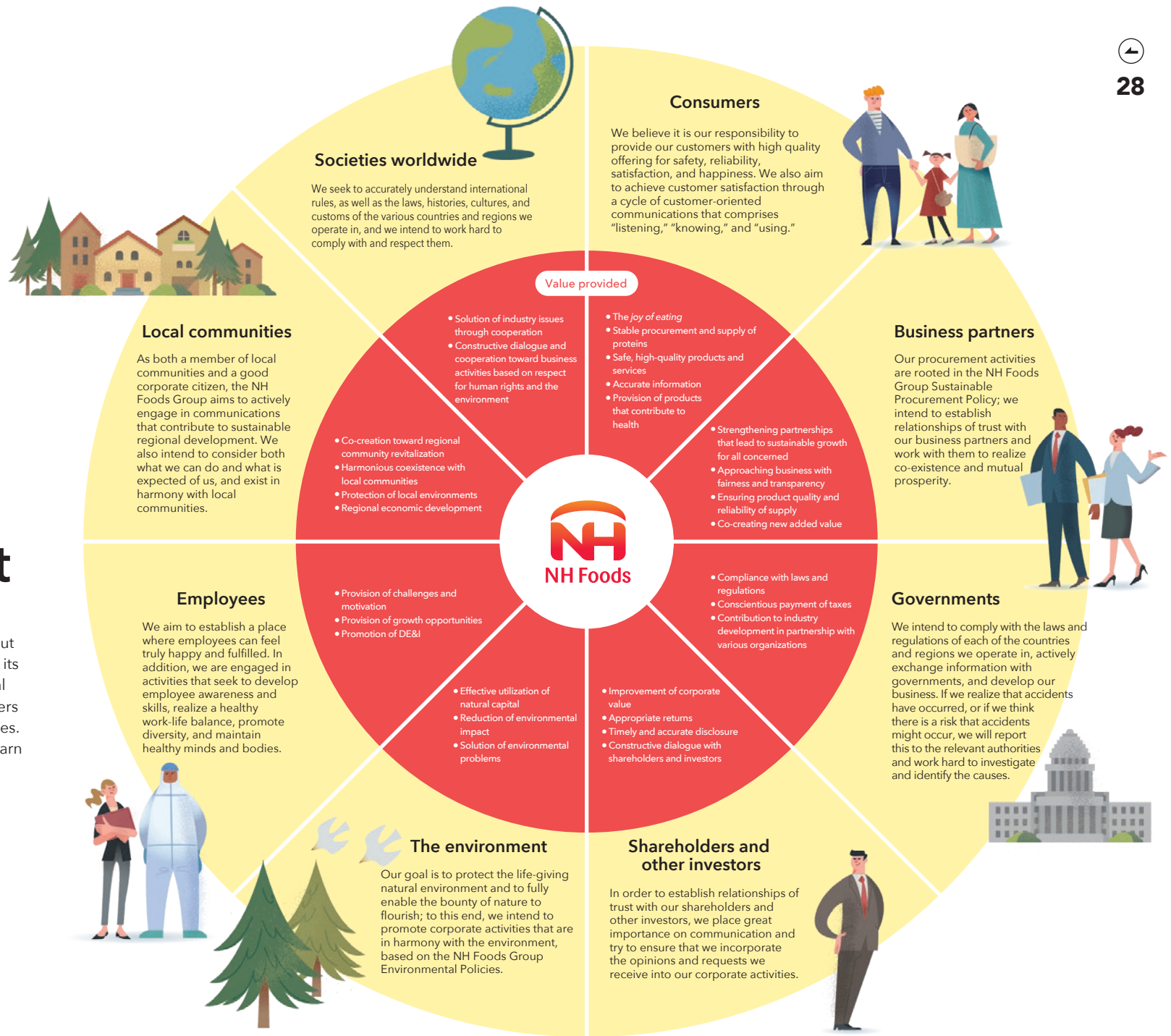
Activities by Organization

Organization entity	Role	Organization	Planned meetings	
Sustainability Committee	<ul style="list-style-type: none"> Formulation of the Group's sustainability policy and consideration of strategy 	<ul style="list-style-type: none"> Directors Outside directors General managers of business division Audit & Supervisory Board member / outside experts 	4 times / year	
Sustainability Subcommittee	<ul style="list-style-type: none"> Applies strategies decided by upper-level management meetings to business units and Group companies 	<ul style="list-style-type: none"> Director in charge of sustainability Business division general managers Heads of departments and sections 	4 times / year	
Working Meeting	Environmental measures	<ul style="list-style-type: none"> Discusses and recommends key themes based on the environmental policy Manages medium- and long-term environmental goals Addresses environmental information-related disclosure regulations (TCFD, TNFD, etc.) 	<ul style="list-style-type: none"> Director and personnel in charge of related departments 	10 times / year
	Sustainable procurement	<ul style="list-style-type: none"> Enhances the sustainability of procurement activities and the effectiveness of sustainable procurement 	<ul style="list-style-type: none"> Managers and personnel in charge of related departments 	7 times / year
	Sharing of sustainability-related information	<ul style="list-style-type: none"> Shares information among corporate related departments to prevent business risk and to build resilient systems Addresses human rights due diligence 	<ul style="list-style-type: none"> Corporate departments 	5 times / year

Stakeholder engagement

The NH Foods Group is only able to carry out its business activities with the support of all its stakeholders, including our customers, local communities, business partners, shareholders and other investors, as well as our employees.

In order to fulfil the expectations and earn the trust of our stakeholders, we intend to execute our responsibilities and duties to society with self-awareness and pride.



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, processed marine products, and dairy products, and we now deliver the joy of eating to people in all kinds of places.



Corporate data

Business operations in 15 countries and regions worldwide*1



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, 2024)
Settlement period	End of March
Net sales	¥ 835,263 million (March 2024, non-consolidated) / ¥ 1,303,432 million (March 2024, consolidated)
Total number of shareholders	55,580 (as of March 31, 2024)

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.

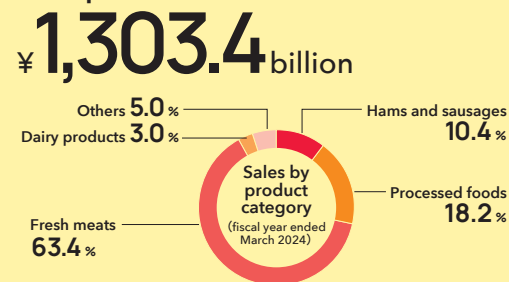
Group Companies*2 **72** | 47 in Japan, 25 overseas



Group employees*3 **25,912** | 20,776 in Japan, 5,136 overseas



Group consolidated net sales



*1 The number of countries includes those where our representative offices are located. (As of April 1, 2024)

*2 Includes subsidiaries by the equity method (As of April 1, 2024)

*3 Includes the annual average number of contract employees (As of March 31, 2024)

Coverage

NH Foods Ltd. and its 72 consolidated subsidiaries in Japan and overseas (as of March 31, 2024).

Period covered

April 1, 2023-March 31, 2024

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

Publication date

November 2024

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>

