

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.





Message

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.

