

Sustainability activities unique to the NH Foods Group for a better future

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. Our Group supplies approximately 6% of the proteins consumed in Japan*. Given these unique qualities, we are committed to fulfilling our responsibility to the global environment and society through a wide range of sustainability activities centered on proteins.

Today, Japan's livestock industry faces serious challenges such as labor shortages, aging producers, and dilapidated facilities. To address these issues, we are optimizing our infrastructure through co-creation with the ZEN-NOH Group. We will also help the livestock industry to sustainably develop through the introduction of digital technologies reducing burden on livestock farmers.

Furthermore, we are working on the theme of "Proteininnovation" (protein innovation) as a new challenge toward the future of food. This is an initiative to increase future protein options and create more enriched food possibilities through research and development of plant-based meat substitutes and cell-based foods. Furthermore, in order to maximize the bounties of nature, we are taking on the challenge of creating new value in non-food fields such as cosmetics and medical products by utilizing by-products from the production of fresh meats.

A sustainability activity that is unique to our Group, where we contribute to the excitement of deliciousness and the joy of good health, is our contribution to the community through food and sports at the HOKKAIDO BALLPARK F VILLAGE. Since its opening in 2023, it has been not only a baseball

stadium, but also a venue for various events and enjoyment for many people. A new station is also scheduled to open there in 2028, and new urban area development is underway that will not only focus on food but also energize the body and mind with an approach integrating food, lodging, entertainment, and education.

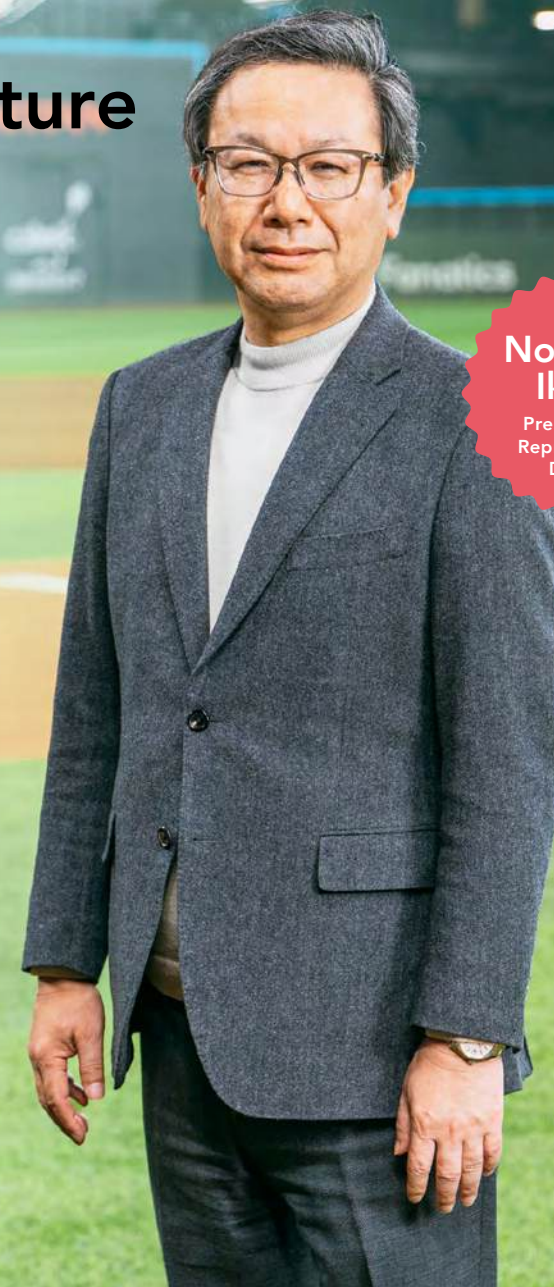
Our commitment to sustainability comes from the daily activities of each and every employee. Activities connected to the environment are becoming more widespread within our Group, including the reduction of plastic packaging for mainstay products such as *Schau Essen* and *Chuka Meisai*, and the introduction of solar power generation at each of our sites to reduce CO₂ emissions. In addition, a new initiative to create a carbon neutral farm has been launched in Nanporo-cho, Hokkaido.

Furthermore, in order to firmly establish and promote sustainability activities, we have been working to foster a corporate culture that stimulates innovation through the introduction of systems and mechanisms that encourage challenge. One such mechanism is the Sustainability Award, a new part of our internal award system as of about four years ago to recognize outstanding activities.

We believe that each of us can achieve further growth and contribute to society by thinking and acting independently.

We will contribute to the realization of a sustainable society by looking ahead to the future and continuing to take on challenges without fear of change.

* Estimates by NH Foods based on Company and external data (research as of 2019)



**Nobuhisa
Ikawa**

President and
Representative
Director

Message

from the Executive Officer
in Charge of Sustainability

Atsushi
Onishi

Executive Officer
in charge of VBM
Promotion Office
and Sustainability
Department

Solving social issues through business activities and maximizing both social and economic value

Importance and role of sustainability strategy

Sustainability is a key element to ensure a company's long-term and sustained growth. The NH Foods Group has positioned its sustainability strategy as an element of its company-wide strategy, alongside its business financial, and R&D strategies, based on the Medium-Term Management Plan 2026. By doing so, we aim to maximize both economic and social value while fulfilling our social responsibilities.

In April 2024, we formulated our strategy, establishing four activity pillars: 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.

In the future, global population growth and climate change are increasing the likelihood that food demand will outstrip supply, and protein shortages are of particular concern. Amid this, we are not only striving to achieve sustainable protein supply, but also to solve social issues through our business activities, aiming for healthy lives for people and a sustainable future.

Revision of medium- to long-term environmental targets and roadmap

The NH Foods Group believes that one of its social responsibilities is to safeguard the blessings of nature, to make effective use of limited resources, and to reduce its environmental impact. As global-scale environmental issues become increasingly severe, we have identified five major items where our Group's business activities have a significant impact on the environment. In addition, we have revised our medium- to long-term environmental targets for FY2030 and formulated a long-term roadmap toward FY2050. Based on this roadmap, we are aiming to harmonize with the global environment and contribute to the realization of a sustainable society through accelerating Group-wide initiatives to reduce environmental impact.

Contributing to the sustainable development of Japan's livestock industry

Given our focus on the Fresh Meats Business, our Group sees the sustainability of Japan's livestock industry as one element of our social mission, and we are focusing our efforts to fulfill this mission. We are taking measures against livestock diseases, improving the rearing environment in consideration of animal welfare, and addressing the shortage of pig farmers through smart pig farming technology.

In addition, through a co-creation project with ZEN-NOH, we are contributing to the sustainable development of the livestock industry by creating standards for carbon neutral farming and improving domestic feed self-sufficiency ratio. Furthermore, to support the sustainable growth of not only the livestock field but the overall corporation, we aim to be an enterprise that is trusted by society by promoting respect for human rights and reducing human rights risks throughout our supply chain.

Multifaceted contributions to greater mental and physical health for people

The Group's goal for health is to provide protein-centric experiences that promote physical function and mental wellness, as well as to build an environment in which society as a whole can lead better lives. In the area of protein supply, we are developing products meeting diverse needs and lifestyles under the *Mealin' Good* brand, which is based on the concept of "help people and the Earth to feel good and enjoy good times." We also develop and provide products that take into consideration food issues such as allergies, aiming to realize a society in which everyone can enjoy food with peace of mind.

Furthermore, we are focused on providing a variety of opportunities related to sporting events and food experiences. For example, in the Ballpark Business, we are taking on the challenge of creating an urban area that creates new value not only as a place to watch baseball games, but also as a space that offers a variety of entertainment. Additionally, we conduct various food

education activities, such as hands-on sausage-making workshops, decorative cutting classes, and lectures on protein for students. Through these activities, we will contribute to people's enriched minds and healthy bodies.

Internal and external collaboration to realize a sustainable society

In order to solve the issues discussed so far, it is essential to cultivate and implement a sustainability strategy that transcends the boundaries of business units. Furthermore, we will not limit ourselves to utilizing only resources within the Group, but will also promote open innovation in collaboration with external stakeholders to create new value by synchronizing our sustainability strategy with our business, financial, and R&D strategies.

This initiative will not only enhance our corporate value, but will also contribute to improving Japan's food self-sufficiency ratio and food security. It also aims to save Japan's livestock industry from aging and other challenges and to transform the structure of this primary industry through advanced technologies such as smart livestock production, meat substitutes, and cell-based foods.

Ultimately, the Group's mission is to save the Earth from a food crisis. We will continue to meet the needs of society while taking on the challenges of a sustainable future.

