

Non-financial data

As of July 31, 2023

- 15** Environmental Report
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Scope of Data (as of March 31st, 2023)

Subject		① Company-wide	② Japan	③ Japan (product factories)	④ Overseas	⑤ Overseas (product factories)
Business sites in Japan	Production and Livestock Breeding Facilities and Feedlots	4 production departments of Nippon Clean Farm Ltd./ 4 production departments of Nippon White Farm Co., Ltd./ Nippon White Farm Niigata Co., Ltd./ Miyazaki Environmental Preservation Cooperative/ Junsui Kurobuta Shuton Nojo Y.K.	●	●		
	Meat preparation and processing plants	5 plants of Nippon White Farm Co., Ltd./ 5 plants of Nippon Food Packer, Inc./ Nippon Food Packer Kagoshima, Inc./ Nippon Food Packer Shikoku, Inc./ Nippon Food Packer Tsugaru, Co., Ltd./ Miyazaki Beef Center Co., Ltd./ Nippon White Farm Niigata Co., Ltd.	●	●	●	
	Ham and Sausage Production	5 factories of Nipponham Factory Ltd./ Nipponham Northeast Ltd./ 3 factories of Nipponham Hokkaido Factory Ltd./ Nipponham Southwest Ltd./ Kamakura Ham Tomioka Co., Ltd./ Kyodo Foods Co., Ltd.	●	●	●	
	Processed Food Production	1 plant of NH Foods Ltd./ 3 plants of Nipponham Processed Foods Ltd./ 3 plants of Nipponham Delicatessen Ltd./ 8 plants of Nippon Pure Food, Inc./ 2 plants of Hoko Co., Ltd./ Minami Nippon Fresh Foods Co., Ltd./ 2 plants of Premium Kitchen Co., Ltd.	●	●	●	
	Marine and Dairy Product Production	2 plants of Nippon Luna, Inc./ 3 plants of Hoko Co., Ltd.	●	●	●	
Sales Offices, Distribution Centers, Headquarters, Branches, Offices and Research Institutes	NH Foods Ltd./ NH Foods Marketing Ltd./ Nippon Route Service, Inc./ Nippon Daily Net Co., Ltd./ Nipponham Frozen Foods Sales Ltd./ Nipponham Customer Communication Co., Ltd./ Nippon Logistics Center, Inc./ Nippon Chilled Logistics, Inc./ Japan Food Corporation/ NH Japan Food Ltd./ Higashi Nippon Food, Inc./ Kanto Nippon Food, Inc./ Naka Nippon Food, Inc./ Nishi Nippon Food, Inc./ Nippon Pure Food, Inc./ Hoko Co., Ltd./ Hokkaido Nippon-Ham Fighters Baseball Club Co., Ltd./ Nippon Luna, Inc./ Minami Nippon Fresh Foods Co., Ltd./ Nipponham Hokkaido Factory Ltd./ Usune Co., Ltd./ Fighters Sports & Entertainment Co., Ltd.	●	●			
Business sites overseas	Production and breeding facilities, farms	3 production departments of Whyalla Beef/ Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	●		●	
	Meat preparation and processing plants	Oakey Beef Exports Pty. Ltd./ Thomas Borthwick & Sons (Australia) Pty. Ltd./ 2 plants of Wingham Beef Exports Pty. Ltd./ Breeders & Packers Uruguay S.A./ Ege-Tav Ege Tarım Hayvancılık Yatırım Ticaret ve Sanayi Anonim Şirketi	●		●	●
	Manufacture and sale of fresh meats and processed foods	Shandong Rilong Foodstuffs Co., Ltd./ Pure Food Asia, Inc./ 2 factories of Thai Nippon Foods Co., Ltd./ 2 factories of NH Foods Vietnam Joint Stock Company/ NHF Manufacturing (Malaysia) Sdn.Bhd./ NH Foods Diamond Indonesia/ Day-Lee Foods, Inc./ Redondo's, LLC	●		●	●
	Food marketing, trading companies	Shandong Rilong Foodstuffs Co., Ltd./ NH Foods Taiwan Ltd./ NH Foods (Thailand) Ltd./ NH Foods Singapore Pte. Ltd./ NH Foods Australia Pty. Ltd./ Beef Producers Australia Pty. Ltd./ NH Foods U.K. Ltd./ NH Foods Chile Y Compania Limitada/ NH Foods Mexicana S.A.DE C.V./ Day-Lee Foods, Inc./ Japan Food Corporation Korea Branch	●		●	

Calculation Method

■ Greenhouse gas emissions about Scope 1 and Scope 2 are calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan

↳ Location base is calculated by the alternative value which is annual electric power company's emission factors (above the law)

↳ Market base is calculated by each annual electric power company's emission factors (above the law)

Overseas sites: Primarily use laws and regulations or guidelines of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan.

↳ If the location base is unknown, use the Emissions Factors provided by the IEA.

There are not applicable of Perfluorocarbons, Sulphur hexafluoride and Nitrogen trifluoride. Also, Hydrofluorocarbons aren't calculation in scope

■ Scope 3 is calculated which is based on our scenario by category, which referred to "Basic Guidelines On Accounting for Greenhouse Gas Emissions throughout the Supply Chain (in Japan)". The emission unit of calculation is used or referred to below

- "Act on Promotion of Global Warming Countermeasures" in Japan about each year

- "Database of Emissions Unit Values on the Same Accounting for Greenhouse Gas Emissions throughout the Supply Chain" in Japan

■ Energy consumption about Scope 1 and Scope 2 is calculated as follows:

Japan: Use coefficients, etc., defined by the "Act of Promotion of Global Warming Countermeasures" and the "Act on the Rational Use of Energy" in Japan

Overseas: Primarily use laws and regulations or guidelines of the country or region where each company or office is located. If these are unknown, use coefficients of the "Act on the Rational Use of Energy" in Japan

■ The waste recycling rate and recycling rate were calculated as follows.

Waste recycling rate: $(\text{Valuable materials sold} + \text{Recycled waste}) / \text{Waste generation} \times 100$ (Unit: %)

Recycling rate: $(\text{Waste recycled in-house} + \text{Valuable materials sold} + \text{Recycled waste}) / (\text{Waste generation} - \text{in-house reductions}) \times 100$ (Unit: %)

Third-Party Verification

Items with a mark are subject to third-party verification under the AA1000 standard by SGS Japan Inc.

Scope of verification

GHG emissions in Japan: Scope 1, Scope 2, Scope 3 Overseas GHG emissions: Scope 1, Scope 2

Energy use in Japan: Scope 1, Scope 2 Overseas energy use: Scope 1, Scope 2

Water use in Japan: Water withdrawal and Water consumption

Overseas water use: Water withdrawal and Water consumption

Environmental Targets

As part of its three-year medium-term management plans, the NH Foods Group has formulated environmental targets aimed at reducing the environmental impact of its business activities. In April 2021, the Group formulated Vision2030 and identified, while also setting medium- to long-term environmental targets for 2030.

We are helping to realize a sustainable society through our efforts to reduce environmental loads, and through our continuing commitment to effective resource utilization.

In fiscal 2022, we set environmental targets for 2030 based on our medium- to long-term environmental targets for Japan.

Going forward, we will work to promote efforts to achieve a sustainable society from a more global perspective.

Results of Medium- to Long-Term Environmental Targets in Japan

Targets	Unit	Baseline	2030 target	FY2022 results	Progress
Reduce fossil fuel-derived CO₂ emissions (Reduce by more than 46% compared with FY2013 levels)	t-CO ₂	550,518	297,279	447,690	Reduction (change from the baseline) : ▲102,828 Reduction (compared with the baseline) : ▲18.7%
Waste discharge (per production unit) (Reduce by 5% compared with FY2019 level)	kg/t	134.6	127.9	124.9	Reduction (change from the baseline) : ▲9.7 Reduction (compared with the baseline) : ▲7.2%
Waste recycling rate (At least 92% by 2030)	%	84.1	92.0	91.9	—
Waste consumption (per production unit) (Reduce by 5% compared with FY2019 level)	m ³ /t	15.2	14.4	15.4	Reduction (change from the baseline) : 0.2 Reduction (compared with the baseline) : 1.3%

* Coverage of the Plan: Reduction of fossil fuel-derived CO₂ emissions, Waste recycling rate . . . ②, Waste discharges and water consumption . . . ③

* CO₂ emissions and thermal energy were calculated using the factors stipulated each year under the "Act on Promotion of Global Warming"

* Intensity units are based on production quantities by manufacturing factory

* The baseline for the waste recycling rate is 84.1% (FY2019 result). The formula is shown in the "Calculation method" section on p.16

Medium- to Long-Term Environmental Targets Overseas

Targets	Unit	Baseline	2030 target	FY2022 results	Progress
Reduce fossil fuel-derived CO₂ emissions (Reduce by more than 24% compared with FY2021 levels)	t-CO ₂	143,340	108,938	140,531	Reduction (change from the baseline) : ▲2,809 Reduction (compared with the baseline) : ▲2.0%
Waste consumption (per production unit) (Reduce by 5% compared with FY2021 level)	m ³ /t	14.7	14.1	15.2	Reduction (change from the baseline) : 0.5 Reduction (compared with the baseline) : 3.4%

* Target base year: For overseas operations, based on FY2021 results, with reduction targets set as equal to yearly reduction targets in Japan

Coverage of the Plan: Reduction of fossil fuel-derived CO₂ emissions . . . ④, Water consumption . . . ⑤

* CO₂ emissions are mainly calculated using methods defined by the country or region where a company is located.

If this is unknown, the IEA Emissions Factors and the coefficients of the "Act on Promotion of Global Warming Countermeasures" in Japan are used.

* Intensity units are based on production quantities by manufacturing factory

Results of Medium-Term Management Plan 2020

The Medium-Term Management Plan 2020, which launched on April 1, 2018, sets environmental targets based on average values for the period from fiscal 2012 to fiscal 2016. The plan achieved the following results.

Initiatives		Baseline (average FY2012-2016)	Targets (average FY2018-2020)	Results (average FY2018-2020) (compared to baseline)
Mitigation of climate change	CO ₂ emissions intensity	701.1 kg-CO ₂ /t	8.0% Reduction (645.1 kg-CO ₂ /t)	10.0% Reduction (631.0 kg-CO ₂ /t)
	Thermal energy intensity	12.0 GJ/t	8.0% Reduction (11.0 GJ/t)	3.3% Reduction (11.6 GJ/t)
Resource saving	Water consumption intensity ^{*1}	17.7 m ³ /t	3.0% Reduction (17.2 m ³ /t)	4.5% Increase (18.5 m ³ /t)
	Waste generation intensity ^{*2}	207.5 kg/t	6.0% Reduction (195.1 kg/t)	14.3% Increase ^{*3} (237.1 kg/t)
Promotion of recycling	Waste recycling rate	90.8%	94.0% Over	88.9%

* CO₂ emissions and thermal energy calculated by using factors in "Act on Promotion of Global Warming Countermeasures" in Japan about each year

* Coverage of the Plan: ①

* Primary unit of each intensity is per unit of product

* Reduction rate in target value is reduction rate from Baseline

* The formula for the waste recycling rate is shown in the "Calculation method" section on p.16

*1 Water consumption and discharged includes some estimated values from production departments

*2 Excluding farm excreta

*3 Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

Mitigation of Global Warming

Greenhouse Gas Emissions from NH Foods Group and Its Entire Supply Chain

■ Greenhouse Gas Emissions

Scope	Items	Business scope	Scope 2 pattern	FY2018	FY2019	FY2020	FY2021	FY2022
Scope 1	CO ₂ (thousand t-CO ₂)	Japan	—	216	215	220	222	213
		Overseas	—	—	—	—	52	55
	Methane (thousand t-CO ₂)	Company-wide	—	30	31	28	116	134
	Nitrous oxide (thousand t-CO ₂)	Company-wide	—	103	102	101	102	99
Scope 2	CO ₂ (thousand t-CO ₂)	Japan	Location base	303	290	276	267	246
			Market base	—	269	257	260	236
	Overseas	Location base	—	—	—	92	86	
Total	CO ₂ (thousand t-CO ₂)	Company-wide	Location base	652	638	625	851	833
Scope 3	CO ₂ (thousand t-CO ₂)	Japan	—	10,948	11,134	10,576	10,503	10,258

* Coverage of data: Scope 1, Scope 2 . . . ①, Scope 3 . . . ②

■ Breakdown of Scope 3 Categories (FY2022 Results in Japan)

Category	CO ₂ (thousand t-CO ₂)	Composition ratio (%)
1 Purchased goods and services	8,599	83.8
2 Capital goods	159	1.6
3 Fuel and energy related activities (not included in scope 1 or scope 2)	79	0.8
4 Upstream transportation and distribution	809	7.9
5 Waste generated in operations	44	0.4
6 Business travel	7	0.1
7 Employee commuting	54	0.5
8 Upstream leased assets	5	0.0
9 Downstream transportation and distribution	-	-

* Coverage of data: ②

Category	CO ₂ (thousand t-CO ₂)	Composition ratio (%)
10 Processing of sold products	242	2.4
11 Use of sold products	145	1.4
12 End-of-Life treatment of sold products	115	1.1
13 Downstream leased assets	-	-
14 Franchises	-	-
15 Investments	-	-
Total	10,258	100

Environmental Data by Business

■ Greenhouse Gas

(thousand t-CO₂)

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Production and Livestock Breeding Facilities and Feedlots	Scope 1	181	183	182	179	174
		Scope 2	40	39	37	35	35
		Subtotal	221	222	219	215	209
	Fresh Meat Processing and Plants	Scope 1	26	25	27	27	27
		Scope 2	37	35	34	33	31
		Subtotal	62	61	60	60	58
	Ham and Sausage Production	Scope 1	37	36	37	36	34
		Scope 2	55	52	49	48	45
		Subtotal	92	88	86	84	79
	Processed Food Production	Scope 1	66	65	67	69	65
		Scope 2	105	99	94	92	80
		Subtotal	171	164	161	161	145
	Marine and Dairy Product Production	Scope 1	8	8	8	8	8
		Scope 2	18	18	17	16	16
		Subtotal	26	26	25	24	24
	Sales Offices, Distribution Centers, Headquarters, Branches, Offices and Research Institutes	Scope 1	1	1	1	1	2
		Scope 2	49	47	45	44	39
		Subtotal	50	48	46	45	41
	Vehicles	Scope 1	29	28	28	28	26
	Subtotal	Scope 1	348	348	349	348	336
		Scope 2	304	290	276	267	246
Subtotal		652	638	625	615	582	
Overseas	Scope 1	—	—	—	144	165	
	Scope 2	—	—	—	92	86	
	Subtotal	—	—	—	235	251	
Total	Scope 1	348	348	349	492	501	
	Scope 2	304	290	276	359	332	
	Subtotal	652	638	625	851	833	

* Coverage of data: ①

Resource Saving Initiatives

Consumption of Energy

■ Transition of Energy Consumption

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Fuel (TJ)	Gasoline	52	46	37	35	30
		Kerosene	542	570	591	588	582
		Light oil	375	371	372	379	351
		Heavy fuel oil A	968	867	852	775	688
		Liquefied petroleum gas / LPG	361	392	420	455	401
		Liquefied natural gas / LNG	217	281	302	315	274
		Town gas	971	996	1,034	1,111	1,202
		Biomass	—	—	—	59	26
		Total Fuel	3,486	3,523	3,608	3,717	3,554
	Steam, cold water, hot water purchased (TJ)		21	20	20	21	22
Electricity purchased (TJ)		5,772	5,768	5,708	5,727	5,436	
Of which, renewable energy (TJ)		—	—	1	1	14	
Subtotal (TJ)		9,279	9,311	9,336	9,465	9,012	
Of which, renewable energy (TJ)		—	—	1	60	40	
Overseas	Fuel (TJ)	Gasoline	—	—	—	9	9
		Kerosene	—	—	—	0	0
		Light oil	—	—	—	86	85
		Heavy fuel oil	—	—	—	29	19
		Coal	—	—	—	343	371
		Liquefied petroleum gas / LPG	—	—	—	48	91
		Natural gas	—	—	—	190	157
		Town gas	—	—	—	6	6
		Biomass	—	—	—	288	300
	Total Fuel	—	—	—	999	1,038	
Steam, cold water, hot water purchased (TJ)		—	—	—	44	81	
Electricity purchased (TJ)		—	—	—	600	564	
Subtotal (TJ)		—	—	—	1,643	1,683	
Of which, renewable energy (TJ)		—	—	—	288	300	
Total	Total (TJ)	9,279	9,311	9,336	11,108	10,695	
	Of which, renewable energy (TJ)	—	—	1	348	340	

* Coverage of data: ①

* Only the amount of consumption is subject to verification, and various energy conversions have not been verified.

Water Consumption

■ Transition of Water withdrawal and Water consumption (By Water Source)

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	☑ Water withdrawal and Water consumption (thousand m ³)	Groundwater	10,798	10,868	10,873	10,881	10,603
		Tap water	3,999	3,952	3,947	3,840	3,658
		Sea water	0	0	0	0	0
		Subtotal	14,797	14,820	14,820	14,721	14,261
	Reuse/recycling water (thousand m ³)	37	35	39	37	65	
Overseas	☑ Water withdrawal and Water consumption (thousand m ³)	Groundwater	—	—	—	611	1,072
		Surface water	—	—	—	564	771
		Tap water	—	—	—	2,100	2,240
		Sea water	—	—	—	13	16
		Subtotal	—	—	—	3,288	4,099
	☑ Total water withdrawal and Water consumption	14,797	14,820	14,820	18,009	18,360	

* Coverage of data: Japan...② Overseas...⑤

* Water withdrawal and Water consumption figures include estimates from production departments

Items			FY2018	FY2019	FY2020	FY2021	FY2022
Japan	Discharged (thousand m ³)	Discharged treatment water to river etc.	11,019	11,897	11,765	12,224	11,373
		Sewage	1,485	1,514	1,489	1,512	1,502
		Total	12,504	13,411	13,254	13,736	12,875

Waste

■ Breakdown of Waste Generation (Results in Japan)

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Waste generation (thousand t)		434.7	411.3	402.5	397.6	380.2
In which, waste discharged (thousand t)		232.7	205.1	208.8	198.7	193.5
Recycling of waste (thousand t)		405.3	373.8	376.9	380.8	364.2
Final disposal waste (thousand t)		20.7	22.7	19.7	9.6	11.0
Recycling rate (%)		93.6	92.1	94.7	96.9	96.6

* The formula for the recycling rate is shown in the "Calculation method" section on p.16

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Hazardous waste generation (thousand t)		98.1	15.5	22.5	24.0	18.1

* Coverage of data: ②

* Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

* Hazardous waste is defined as specially controlled industrial waste

State of Compliance with Environmental Laws and Regulations

The NH Foods Group strives to ensure compliance with laws and regulations at all of its business sites. At farms, factories, and distribution facilities where environmental loads are especially high, we obtain ISO 14001 certification as the basis for the effective administration of compliance systems. In addition, the relevant units in NH Foods Ltd. verify operational conditions through internal environmental audits at our business sites, including those without certification. Steps are taken, including recurrence prevention measures, to address any issues identified through internal audits based on ISO 14001 or internal audits by NH Foods Ltd.

In the unlikely event of an environmental accident, remedial action is implemented in accordance with procedures determined for each business site. We also submit reports to the relevant agencies and establish structures to prevent recurrences. In addition, the circumstances are reported to the Compliance Department of NH Foods Ltd. in order to share details about the actions taken.

In fiscal 2022, there were no accidents that caused serious environmental impacts at NH Foods Group business sites.

* The meaning of "Serious accident" is as defined in the internal rules of the NH Foods Group.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of serious environmental accidents	0	0	0	0	0
Amount of fines (yen)	0	0	0	0	0

* Coverage of data: ①

Business Activities and Environmental Impact

■ Inputs

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Livestock feed (thousand t)	640	660	641	626	626
Raw materials for products (thousand t)	249	245	241	240	215
Plastic	7,735	7,188	6,495	6,429	6,909
Fuel (TJ)	3,486	3,523	3,608	3,717	3,554
Of which, renewable energy (TJ)	—	—	—	59	26
Electricity (million kWh)	590	590	585	589	562
Of which, renewable energy (million kWh)	—	—	1	1	4
Water (million m ³)	15	15	15	15	14

* Coverage of data: ②

* Water input includes some estimated values from production departments

* Quantities of plastic are based on plastic discharge applications in Japan under the Japanese Law for the Promotion of Sorted Collection and Recycling of Containers and Packaging.

■ Outputs

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Quantity of products (fresh meats, processed foods) produced (thousand t)	797	797	805	810	761
Greenhouse gases (thousand t-CO ₂)	651	637	625	615	583
Nitrous oxides/NOx (t)	509	507	507	511	518
Sulfur oxides/SOx (t)	217	196	193	176	167
Discharged water (million m ³)	13	13	13	14	13
Waste (among generated) (thousand t)	435	411	403	398	380
Waste recycling rate (%)	93.6	92.1	94.7	96.9	96.6

* Coverage of data: ②

* Water discharged includes some estimated values from production departments

* Excluding the waste from Typhoon Jebi and the Hokkaido Eastern Iburi earthquake in the FY2018

* The formula for the recycling rate is shown in the "Calculation method" section on p.16

Third-Party Verification

NH Foods Group has been subjected to third-party verification about the appropriateness of disclosed data.

■ Subjects

- Stakeholder management process
- Greenhouse gas (GHG) emissions (Scope 1, 2*¹, and 3)
- Energy consumption
- Water consumption: water intake
- The management systems supporting the reporting

*1 Greenhouse gases covered carbon dioxide, methane, and nitrous oxide

■ Period covered

April 1, 2022 to March 31, 2023

The Scope of each assurance covers the subsidiaries plants, sales offices, logistics hubs, headquarters, branches, and laboratories.

* The information on this page is disclosed on NH Foods Group website.

SGS ASSURANCE STATEMENT

SGS Japan's Report on Sustainability Activities in the NH Foods Group website.

NATURE AND SCOPE OF THE ASSURANCE
 SGS Japan Inc. was commissioned by the NH Foods Group (hereinafter referred to as "the Organization") to conduct an independent assurance of its Sustainability Activities in the website (hereinafter referred to as "the Report"). The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the stakeholder management process, data on greenhouse gas (GHG) emissions (Scope 1, 2, and 3), energy consumption, water consumption, and the management systems supporting the reporting process. Refer to the attached sheet for the detailed scope of assurance.

The information contained in the Report is the responsibility of the directors or governing body and the management of the Organization. SGS Japan Inc. has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of assurance with the intention to inform all the Organization's stakeholders. The organization is responsible for the preparation and fair presentation of the scope of the assurance.

The SGS protocols are based upon internationally recognized guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

This report has been assured at a moderate level of scrutiny using our protocols for:

- Evaluation of content veracity;
- AA1000 Assurance Standard (V3) Type 2 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018);
- Evaluation against the ISO14064-3(2019);

The assurance comprised a combination of pre-assurance research, interviews with the management and the person in charge of producing the Report, onsite visits (Nippon Pure food, Inc. Iseasaki Plant and Nippon Logistics Center, Inc. Otsuka Namko office), verification and confirmation of vouchers, review of related materials and records, and analytical procedures.

Financial data drawn directly from independently audited financial accounts has not been checked back to source as part of this assurance process.

STATEMENT OF INDEPENDENCE AND COMPETENCE
 The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; and environmental, social and sustainability report assurance. SGS Japan Inc. affirms our independence from the Organization, being free from bias and conflicts of interest with the Organization, its subsidiaries and stakeholders.

The assurance team was assembled based on the knowledge, experience and qualifications of each of the team members for this assignment, and comprised auditors registered with lead auditors of ISO9001, ISO14001, ISO45001 and lead verifiers of greenhouse gas emissions.

ASSURANCE OPINION
 Within the scope of the assurance activities employing the methodologies described above, nothing has come to our attention that caused us to believe that the information and data contained within the Report does not provide a fair and balanced description of the Organization's sustainability activities from 1 April, 2022 to 31 March, 2023. The assurance team is of the opinion that the Report can be used by the Reporting Organization's Stakeholders. We believe that the Organization has chosen an appropriate level of assurance for this stage in their reporting.

AA1000 ACCOUNTABILITY PRINCIPLES (2018) CONCLUSIONS, FINDINGS AND RECOMMENDATIONS

Inclusivity
 The organization identifies its stakeholders as consumers, business partners, shareholders, investors, employees, government, international community, local community, and local environment, and establishes communication opportunities for each of them. The needs and expectations of the stakeholders are input to the organization through these activities, and their responses are considered. This process is continuous and effective because it is integrated into the business. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of inclusivity.

Materiality
 As a milestone in pursuing the realization of our corporate philosophy, the organization has formulated "Vision 2030" and identified as "Five Materialities (key issues)" that should be prioritized to be solved the social issues toward its realization. These "Five Materialities (key issues)" have referred to the initiatives of SDGs, SASB, ISO 26000, GRI, and various social issues, and extract initial evaluation items. In addition, taken the opinions of various positions stakeholders and extracted and identified important issues. The identified issues are evaluated and finalized by specialized stakeholders and management. These "Five Materialities (key issues)" are reflected in the medium-term management plan, ensuring that they are addressed as business activities. These processes are published in the Report. As described above, it was confirmed in this verification that important issues have been identified.

Responsiveness
 The organization is engaged in various activities, taking into account the allocation of resources to the Five Materialities identified. Their activities have been reported to stakeholders by disclosing in the Report. The organization implements initiatives to raise awareness among employees and communicates with external stakeholders through various means, including dialogue. Consequently, SGS Japan Inc. confirmed through the verification that the Organization addresses these issues.

Impact
 The results of activities for the identified issues are reported in the Report, including detailed case examples. This report also includes reports on the impacts on the ecosystem. Consequently, SGS Japan Inc. confirmed through the verification that the Organization supports the principle of impact.

For and on behalf of SGS Japan Inc.
 Knowledge Management Committee Member
 Head of Certification/Accreditation

7 July, 2023
 Signed: Yuji Takeuchi

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 Licensed Report
 000-8/V3-AY8H7

The details of the scope of verification

The scope	The boundary	The assertion
1 Scope 1 and 2 * energy-related CO ₂ emissions, energy consumption	NH Foods Group (484 sites in Japan and overseas)	Scope1: 265,351,716 kg-CO ₂ Scope2(Location-based): 332,901,719 kg-CO ₂ Scope2(Market-based): 322,870,129 kg-CO ₂
Scope 1 * CO ₂ from incineration of wastes	Nipponham Processed Foods Ltd. (Saito Plant)	Scope1: 2,039,490 kg-CO ₂
Scope 1 * CH ₄ and N ₂ O derived from livestock: fermentation in the digestive tract and excreta disposal	Interfarm Co., Ltd. / Nippon White Farm co.,Ltd. / Nippon White Farm Niigata co.,Ltd. / Whyalla Beef Pty. Ltd.	Scope1: 233,443,135 kg-CO ₂ e
2 Scope 3: (category 1-8, 10-12) *Category1: Purchased raw materials *Category9: Use of Sapporo Dome *Category10: Cooking with heat of professional products *Category11: Cooking with heat of consumer products *Category12: Leftover food and disposal of wrapping film	Domestic Group	Category1: 6,598,642 t-CO ₂ Category2: 156,953 t-CO ₂ Category3: 79,324 t-CO ₂ Category4: 609,236 t-CO ₂ Category5: 43,909 t-CO ₂ Category6: 6,881 t-CO ₂ Category7: 6,260 t-CO ₂ Category8: 4,825 t-CO ₂ Category10: 242,141 t-CO ₂ Category11: 144,791 t-CO ₂ Category12: 114,877 t-CO ₂
3 Energy consumption * Solar power system (including PPA)	24 sites in Japan	3,688,309 kWh
Energy consumption * Animal and vegetable oil	6 sites in Japan	1,740,774 t
Energy consumption * Wood	3 overseas sites	18,490,154 kg
4 Water intake	NH Foods Group (483 sites in Japan and overseas)	18,360,407 m ³

Summary of Employees

Status of Employees (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees	2,403	2,137	2,149	2,160	2,077
Male (regular employees)	1,011	883	898	891	863
Female (regular employees)	348	322	339	353	375
Percentage of female employees (%) (regular employees)	20.4	26.7	27.4	28.4	30.3
Percentage of female managers (%)	3.8	4.6	6.5	8.5	9.8
Number of temporary employees (average)	972	953	912	916	839
Average age	42.5	41.6	41.2	41.6	41.7
Male (age)	44.6	43.3	42.9	43.4	43.5
Female (age)	36.9	36.1	36.7	37.1	37.6
Average duration of employment (years)	18.8	17.6	17.4	17.8	17.7
Male (years)	20.7	19.4	19.3	19.7	19.7
Female (years)	12.2	11.8	12.6	13.0	13.1
Number of new graduates hired	61	54	51	41	53
Male	34	34	35	25	33
Female	27	20	16	16	20
Mid-career hiring rate of workers (%)	22	17	26	16	19
Average salary (yen)	8,570,717	8,422,396	8,395,177	8,575,136	8,465,458
Turnover rate (%)	3.7	16.0	3.2	4.1	3.8
Voluntary retirement rate (%)	1.72	1.70	1.29	2.09	1.34

* Based on the number of current employees as of March 31st in each fiscal year

* In FY2019, NH Foods Ltd. expanded the optional retirement system as a temporary measure

* Average age revised in FY2021

Status of Employees by Region (NH Foods Group)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Domestic	22,883	22,538	22,615	21,329	21,068
Overseas	7,957	7,592	6,775	6,320	5,982
Group total	30,840	30,130	29,390	27,649	27,050

* Based on the number of current employees as of March 31st in each fiscal year

* Includes average number of temporary employees

Diversity

Gender Pay Gap (NH Foods Ltd.)

Items		FY2018	FY2019	FY2020	FY2021	FY2022
Statutory disclosure items	All workers (%) ^{*1}	—	—	—	—	58.0
	Employees (%) ^{*2}	—	—	—	—	61.0
	Temporary employees (%) ^{*3}	—	—	—	—	75.2
Optional disclosure items	Regular employees (%)	—	—	—	73.5	68.1
	Managers (%)	—	—	—	93.0	91.7
	General staff (%)	—	—	—	86.2	76.3

* Gender pay gap: Ratio of female employees' salaries to male employees' salaries as defined in the Act on Promotion of Women's Participation and Advancement in the Workplace (average yearly salary for females / average yearly salary for males)

* The gender pay gap is caused not by differences in the amounts paid for identical work, but by differences in the percentages of employees at each seniority level, the percentages of employees limited to specific locations, years of service, working hours, and other factors

* The division of regular employees into managers and general staff is an optional disclosure item

* The statistics for FY2021 precede the introduction of statutory disclosure in FY2022 and are theoretical figures. For this reason, the calculation method used was different from that for FY2022

*1 All workers: Employees and temporary employees

*2 Employees: Workers in regular employment and non-regular employees who have worked full-time over long periods

*3 Temporary employees: Part-timers and employees on limited-term contracts (excluding dispatched workers)

Condition of Utilizing Child and Nursing Care-Related Systems (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
1.Before and after childbirth leave (number of leave takers)	30	42	57	39	41
2.Spousal childbirth leave (number of leave takers)	27	30	29	35	16
3.Number of childcare leave takers	70	73	96	108	115
Male	4	5	12	18	37
Female	66	68	84	90	78
4.Rate of employees returning to work (%)	97.1	97.0	98.8	98.5	100.0
5.Shortened working hours for childcare (number of users)	91	98	81	123	117
6.Nursing leave (number of leave takers)	118	145	139	173	165

* The lower number of spousal childbirth leave days taken in FY2022 reflects the enhancement of the childcare leave system to allow the first 20 days of leave to be used as special leave

■ Category Details

Before and after childbirth leave	An employee can take the leave for six weeks before giving birth (or fourteen weeks for a multiple pregnancy) and eight weeks after giving birth.
Spousal childbirth leave	Since September 16, 2022, employees have been able to take three days of paid leave between one week prior to date on which their spouse is expected to give until the date of birth. Until September 15, 2022, employees were able to take three days of paid leave between one week before the date on which their spouse was expected to give birth until two weeks after the date of birth.
Childcare leave	Until the child of an employee reaches the age of one year, or until the child reaches the age of three years if the child cannot enter nursery school or is under special circumstances. (Employees can take 20 days of special paid leave initially.)
Rate of employees returning to work	(Number of employees returning from childcare leave) / (Number of employees expected to return from childcare leave) ×100
Shortened working hours for childcare	Until an employee's child finishes the six years of elementary school, the employee's scheduled working hours in a day may be shortened by up to two hours.
Nursing leave	12 days per year can be taken as nursing leave when the child of employee in sixth grade of elementary school or lower requires nursing, vaccination, or medical checkup. (Paid leave)

Status of Re-Employment Following Mandatory Retirement (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of mandatory retirees	16	11	3	6	14
Number of re-employed retirees	15	8	3	5	14
Re-employment rate (%)	93.8	72.7	100.0	83.3	100.0

* Number of re-employed retirees: includes individuals employed at subsidiary following mandatory retirement

Status of Hiring Personnel Disabilities (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Employment rate (%)	2.1	2.4	2.5	2.7	2.6

* Disabled Persons Act requires employers to keep the rate of hiring personnel disabilities over 2.3% (as of March 2023)

* Includes non-regular employees

* Employment rate is calculated based on Disabled Persons Act

* In November, 2019, Nipponham Career Consulting Ltd. became a special-purpose subsidiary of NH Foods Ltd.

Human Resources

Percentage of Employees Subject to Periodic Evaluation with Respect to Business Performance and Career Development (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of employees under the Management by Objectives (MBO)	1,731	1,528	1,574	1,513	1,577
Percentage of employees under the MBO (%)	72.0	71.5	94.7	100.0	100.0

Freedom of Association and Collective Bargaining

NH Foods Ltd. respects the freedom of association and the rights of collective bargaining as recognized in the Constitution of Japan and laws and regulations. A union shop agreement has been made with the NH Foods Worker's Union. Members consist of all employees excluding those in management positions or with equivalent qualifications and others who are excluded based on individual agreements in light of such factors as the nature of their work. In addition, subsidiaries comply with and respect the laws, regulations, and labor practices of their respective countries, based on a stance that respects freedom of association and the rights of collective bargaining.

* The enrollment rate for the NH Foods Worker's Union in FY2022 was 100%

Employee Health and Occupational Health & Safety

Status of Working Hours and Use of Annual Paid Leave (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Annual actual working hours (hours)	2,087	2,052	2,040	2,005	1,970
Hours of overtime work (hours)	290.24	278.23	286.74	251.59	226.00
Average number of days of annual paid leave granted (days)	18	18	18	18	18
Average number of days of annual paid leave taken (days)	12	15	12	13	14
Average usage rate of annual paid leave (%)	69	79	60	63	76

Frequency Rate of Occupational Accidents (NH Foods Group in Japan)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
National manufacturing industry average (%)	1.02	1.20	1.20	1.20	1.31
National food manufacturing industry average (%)	2.95	3.32	3.48	3.51	4.01
NH Foods Group average (%)	2.00	1.97	2.08	2.21	2.54

* Frequency rate of occupational accidents: the number of casualties due to occupational accidents per million hours of actual work, and the frequency of accidents

Occupational Accidents Severity Rate (NH Foods Group in Japan)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
National manufacturing industry average (%)	0.08	0.10	0.10	0.07	0.06
National food manufacturing industry average (%)	0.18	0.21	0.25	0.10	0.15
NH Foods Group average (%)	0.05	0.04	0.05	0.05	0.09

* Occupational accident severity rate :total days of lost time due to accidents with respect to total worked hours of all employees

Support Physical and Mental Health

Items	Subject	FY2018	FY2019	FY2020	FY2021	FY2022
Rate of follow-up action after physical examinations (%)	NH Foods Ltd.	—	—	77.2	86.9	81.0
Ratio of smokers (%)	NH Foods Ltd.	—	—	32.8	24.9	23.6
Stress check examination rate (%)	NH Foods Ltd.	99.1	95.2	92.0	97.8	97.9
	NH Foods Group in Japan	91.5	90.3	91.6	92.8	94.5

* Stress check: A test conducted by businesses on their workers to assess their level of psychological strain

Occupational Safety and Health Management System Status (as of March 2023)

■ 7 business sites certified (certified business site ratio: 1.4%)

Status of ISO45001 Certification Acquisition

Japan	● Nipponham Delicatessen Ltd. (Headquarters, Product Development Division, Niigata Plant, Hokkaido Plant, Miyazaki Plant)	Thailand	● Thai Nippon Foods Co., Ltd. (Ayutthaya Plant, Phitsanulok Branch)
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List of Donations

Donations (NH Foods Ltd.)

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Total donations (yen)	210,212,139	171,229,030	166,479,466	186,778,998	203,983,276

* Figures for domestic and overseas group companies have been included since FY2022

* Amount of donations related to political donations in FY2022: 1,110,000 yen

Corporate Governance

The average meeting attendance rate for directors in fiscal 2022 was 98%.

Board of Directors

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	18/18	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	18/18	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	18/18	100
Director and Managing Executive Officer	Fumio Maeda	18/18	100
Director and Executive Officer	Masahito Kataoka	18/18	100
Director (Outside)	Yasuko Kono	18/18	100
Director (Outside)	Atsushi Iwasaki ^{*1}	4/5	80
Director (Outside)	Hideo Arase	18/18	100
Director (Outside)	Tokushi Yamasaki ^{*2}	13/13	100
Audit & Supervisory Board Member	Sadanori Miyagai	18/18	100
Audit & Supervisory Board Member	Nobuyuki Tazawa	18/18	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	18/18	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	18/18	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki ^{*2}	5/5	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama ^{*3}	13/13	100

The following notes have been added concerning resignations and appointments of officers in June 2022

*1 Resigned in June

*2 Resigned from the Audit & Supervisory Board was appointed as a director in June

*3 Appointed in June

FY2022 Status of Optional Committee Attendance

■ Compliance Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director and Managing Executive Officer	Fumio Maeda	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Managing Executive Officer	Nobuo Oda	3/4	75
Managing Executive Officer	Kohei Akiyama	4/4	100
General Manager of the Compliance Department	Hiroshi Matsuura	4/4	100
Union representative officers	Yuta Yamagishi	4/4	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi ^{*1}	4/4	100

* The Committee also includes advisors and outside experts

■ Sustainability Committee

Position	Name	Meetings Attended/ Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	4/4	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	4/4	100
Director and Managing Executive Officer	Fumio Maeda	4/4	100
Director and Executive Officer	Masahito Kataoka	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Director (Outside)	Atsushi Iwasaki	4/4	100
Director (Outside)	Hideo Arase	4/4	100
Director (Outside)	Masayuki Kitaguchi ^{*2}	3/3	100
Managing Executive Officer	Nobuo Oda	4/4	100
Managing Executive Officer	Kohei Akiyama	4/4	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi ^{*1,*2}	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama ^{*1,*3}	3/3	100

* Additional member is outside expert

*1 Observer

*2 Resigned from the Audit & Supervisory Board and was appointed as a director in June 2022

*3 Appointed in June

■ Executive Appointments Committee

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	6/6	100
Director (Outside)	Hideo Arase	6/6	100
Director (Outside)	Tokushi Yamasaki	6/6	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	6/6	100

■ Board of Independent Outside Officers

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki ^{*1}	1/1	100
Director (Outside)	Hideo Arase	2/2	100
Director (Outside)	Tokushi Yamasaki ^{*2}	1/1	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki ^{*2}	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama ^{*3}	1/1	100

■ Compensation Committee

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	4/4	100
Director (Outside)	Yasuko Kono	4/4	100
Director (Outside)	Atsushi Iwasaki ^{*1}	1/1	100
Director (Outside)	Hideo Arase	4/4	100
Director (Outside)	Tokushi Yamasaki ^{*2}	3/3	100

■ Board of Independent Officers and Representative Directors

Position	Name	Meetings Attended/Meetings Convened	Attendance Rate(%)
President and Representative Director, President and CEO	Yoshihide Hata	2/2	100
Representative Director and Vice President, Executive Vice President	Tetsuhiro Kito	2/2	100
Representative Director and Vice President, Executive Vice President	Nobuhisa Ikawa	2/2	100
Director (Outside)	Yasuko Kono	2/2	100
Director (Outside)	Atsushi Iwasaki ^{*1}	0/1	0
Director (Outside)	Hideo Arase	2/2	100
Director (Outside)	Tokushi Yamasaki ^{*2}	1/1	100
Audit & Supervisory Board Member (Outside)	Akihiko Shiba	2/2	100
Audit & Supervisory Board Member (Outside)	Masayuki Kitaguchi	2/2	100
Audit & Supervisory Board Member (Outside)	Tokushi Yamasaki ^{*2}	1/1	100
Audit & Supervisory Board Member (Outside)	Shigeru Nishiyama ^{*3}	1/1	100

*1 Resigned in June

*2 Resigned from the Audit & Supervisory Board and was appointed as a director in June 2022

*3 Appointed in June

Promoting Compliance

NH Foods Group engages in awareness-raising activities to deepen employees' understanding of compliance and reaffirm its importance.

Compliance Training (NH Foods Group in Japan)

We reaffirm the importance of compliance at all levels of the organization by acquiring knowledge about harassment and communication, engaging in group discussions based on case studies, and through other initiatives.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of attendees	1,070	1,026	1,370	1,272	1,957
Number of attendees ranked manager and higher	732	795	1,102	971	1,625

* Total number of attendees for training designed for different levels of the organization, such as new employee training, manager training and Group company president training

* Applicable employees: Officers and General Managers in 2018 and 2021, Section Chiefs in 2019 and 2020, and Officers, General Managers, and Section Chiefs in 2022

Compliance Competition (NH Foods Group in Japan)

Knowledge on harassment and communication, as well as the results of initiatives underway at different workplaces and business sites are shared.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of attendees	19,400	17,460	20,545	20,288	17,186

NH Foods Group Consultation Desk (NH Foods Group in Japan)

In addition to an internal consultation desk, an independent outside consultation desk has also been set up so that Group employees can freely report and consult on actual workplace conditions.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of consultations received	201	179	199	249	244

Compliance Visits to Business Sites (NH Foods Group in Japan)

With the aim of avoiding, mitigating and preventing risks, the Compliance Department visits business sites to listen to employee sentiments regarding the onsite atmosphere, business-related issues, interpersonal issues, and other items.

Items	FY2018	FY2019	FY2020	FY2021	FY2022
Number of group companies visited	9	10	7	18	15
Number of business sites visited	96	43	15	24	24
Applicable number of employees	Approx. 1,300	Approx. 1,000	Approx. 700	Approx. 900	Approx. 650

* Due to COVID-19, compliance activities were primarily conducted remotely in FY2020