









Sustainability priorities progress in fiscal 2024

Sustainability priorities	Priority themes	Approaches and targets	Risks	Opportunities	Progress in FY2024
 Provide safe and healthy food and responsible consumer communication	Ensuring food safety	Implement quality assurance from the viewpoint of consumers and continually strengthen the quality assurance system <ul style="list-style-type: none">Acquire and maintain certification for food safety management systems	<ul style="list-style-type: none">Loss of social reputation and stakeholder confidence due to quality-related incidents or other issuesLoss of growth opportunities due to delays in responding to the health needs of consumers	<ul style="list-style-type: none">Gaining the trust of consumers through the supply of safe, reliable productsCreation of opportunities through the enhancement or development of products based on consumer feedbackExpansion of business opportunities linked to rising health consciousness	<ul style="list-style-type: none">Certification of food safety management systems: Percentage of systems certified 96% * Kumamoto Flour Milling group companies that joined the Group in FY2024 are scheduled to acquire certification in FY2025  Certification progress https://www.nisshin.com/english/safety/authentication.htmlConduct periodic audits of the quality assurance systems at all Group business sites and contracted factories (Domestic 76 sites, including 50 contracted sites; overseas 20 sites, including 4 contracted sites)Provision of quality assurance training for around 5,000 employees involved in R&D, production, and sales at all group companies in Japan and overseas
	Responsible consumer communication	Provide fair and responsible consumer communication <ul style="list-style-type: none">Conduct advertising activities that consider ethics, human rights, and the environmentPromote measures to increase consumer engagement			<ul style="list-style-type: none">In-house training about discriminatory language in advertising, etc. (scope: Group employees involved in advertising and promotion, participants: 48)Educational visits (20 visits, 881 participants) to enable people of all ages to learn more about wheat and wheat flourPlant tours and dialogue meetings with consumer groups (22 participants/3 meetings)Monthly Quality Improvement Meetings to share customer feedback with related departments and apply it to product development and improvement (number of feedback comments: 10,700)
	Contribution to healthy diets	Research and develop health functions of food ingredients, primarily focused on wheat, such as its effectiveness in preventing metabolic syndrome and promoting brain functions and anti-aging			<ul style="list-style-type: none">Added the <i>Komugi de Seni</i> (fiber from wheat) logo to business partner products using our high-fiber <i>Amuleia</i> flour to raise customer awareness and expand sales (Nisshin Flour Milling)Launched sales of <i>Gokuuma Powder</i>, a low-sodium fermented seasoning that replaces salt flavor with umami, acidity, and aroma, and <i>Mineralful</i>, a mineral-rich baker's yeast (Oriental Yeast) 
 Enable secure and sustainable raw material procurement	Ensuring stable wheat procurement	Establish sustainable procurement of wheat, our primary raw material <ul style="list-style-type: none">Understand that climate change, biodiversity, and exploitation of human rights is having an impact on wheat procurement, and thus implement mitigation and adaptation measures	<ul style="list-style-type: none">Impact of climate change or other factors on our ability to procure wheatProcurement problems or impairment of corporate value due to environmental or human rights issues in our supply chainsSlowdown or disruption of supplies of raw materials due to natural disasters, epidemics, or geopolitical risks, such as conflicts	<ul style="list-style-type: none">Creation of structures to support stable supplies of safe, reliable products and services	<ul style="list-style-type: none">Investigated the impact of climate change and sustainable agriculture on wheat production in 4°C and 1.5°C scenarios  Scenario analysis (Pages 56-57)
	Sustainable raw material procurement	Promote responsible procurement activities based on fair and ethical transactions <ul style="list-style-type: none">Enforce the Responsible Procurement PolicyStrengthen supply chain management			<ul style="list-style-type: none">Distribute the Group procurement policy to domestic suppliers, continue conducting risk assessment through CSR self-assessment surveys, visit suppliers with risk concerns and provide feedback (Program expanded by two Group companies to seven Group companies in FY2024)Monitor the status of human rights due diligence initiatives in all businesses and continue addressing high-risk and priority issues
 Efficiently handle product and packaging waste	Reducing food waste	Reduce food waste and contribute to realizing sustainable food systems <ul style="list-style-type: none">Reduce food waste, from the procurement of raw materials to the delivery of products to customers, by 50% or more compared with the fiscal 2017 level by 2030*1Work with our partners to reduce food waste at all supply chain stages Note: Scope of reduction: Production and distribution by-products and waste that are not suitable for use as food and are processed through thermal recycling, volume reduction, landfill disposal, or incineration, etc.	<ul style="list-style-type: none">Higher compliance costs resulting from changes to or strengthening of laws and regulations relating to waste and resource recyclingLoss of stakeholder confidence due to delays in actions to reduce waste and recycle resources	<ul style="list-style-type: none">Efficiency improvements and cost reductions resulting from waste reduction initiativesExpansion of business opportunities through the development of environmentally responsible products	<ul style="list-style-type: none">Food waste produced in fiscal 2024: 1,061 tons (60% reduction compared with the base year)Ongoing efforts to shift from thermal recycling to material recycling (feed and fertilizer production, fermentation, reuse, etc.) through changes to disposal methods, installation of on-site feed production facilities, and other initiativesResearch and development of food preparation and processing technologies focused on lengthening product shelf lives and continuing study of efficient supply and demand management
	Reducing packaging waste	Promote the 3Rs (reduce, reuse, and recycle) + renewables with our partners at all supply chain stages <ul style="list-style-type: none">Reduce the amount of fossil fuel-derived plastics used by at least 25% compared with the fiscal 2020 level by 2030*2Promote plastic recycling, such as by using environmentally friendly package designsIncrease the use of sustainable packaging materials, such as biomass plastics, recycled plastics, recycled paper, and FSC®-certified paper			<ul style="list-style-type: none">Use of fossil fuel-derived plastics in fiscal 2024: 5,389 tons (10% reduction compared with the base year)Reduced plastic usage for frozen pasta products by switching from plastic to paper trays and redesigning the product size while maintaining the product volumeUse of FSC®-certified paper in some product packaging
 Address climate change and water resource issues	Climate change adaptation and mitigation	Introduce energy-saving technology and promote the use of renewable energy, and contribute to realizing a decarbonized society <ul style="list-style-type: none">Reduce CO₂ emissions from Group-owned facilities to net zero by 2050Reduce CO₂ emissions from Group-owned facilities by 50% compared with the fiscal 2014 level by 2030Reduce CO₂ emissions across our supply chains Strengthen resilience against increasingly severe natural disasters <ul style="list-style-type: none">Take steps to protect major domestic flour milling plants, including tidal surge protection and seismic strengthening	<ul style="list-style-type: none">Increased intensity and frequency of natural disasters, rising temperatures, and water shortages that could impact our ability to operate production sites and affect procurement of raw materialsIncreased costs relating to regulations, including carbon taxesLoss of stakeholder confidence due to a slow response to climate change and water problems	<ul style="list-style-type: none">Expansion of business opportunities through increased demand for sustainable, environmentally responsible products and services	<ul style="list-style-type: none">Fiscal 2024 CO₂ emissions reduction: 412,000 tons (13% reduction compared with the base year) * Oriental Yeast India added to coverage in FY2024Signed an off-site corporate PPA to convert electricity used at the Tsurumi Plant, the largest flour mill in Japan, to substantially renewable energyLarge-scale capital investment to achieve targets in a CO₂ reduction roadmap, and adoption of internal carbon pricing (ICP)Energy conservation efforts, including waste heat utilization, the introduction of high-efficiency equipment, and the reduction of losses through pipe maintenanceMeasures to protect major domestic flour milling plants in coastal locations from surge tides, including the expansion of flood barriersEvaluate and reflect on the progress toward the targets in the CO₂ reduction roadmap in the bonuses of the internal directors (excluding Audit and Supervisory Committee members)
	Water resource conservation	Work with our partners to ensure effective utilization of water at all stages of our supply chain <ul style="list-style-type: none">Reduce the amount of water used in plants per unit of production by 30% compared with the fiscal 2022 level by 2040*3 Note: Halving of water use in regions where there is a high risk of water supply problems in the future			<ul style="list-style-type: none">Water use per unit of production in fiscal 2024: 1.05m³/t (4% reduction compared with the base year)Reassessment of water risk and stress at production sitesIntroduced equipment capable of reusing approximately 60% of water needed for yeast production (operation started in July 2024 at an Oriental Yeast plant)
 Provide working environments that are healthy and fulfilling	Respect for diversity	Respect humanity and diversity, and create workplaces that consider work-life balance <ul style="list-style-type: none">Reach target for women to represent 15% of management positions at eight Group companies by the end of March 2027	<ul style="list-style-type: none">Labor shortages caused by reduced competitiveness in the recruitment market and the loss of existing employeesImpact on business continuity due to increases in occupational accidents and heightened employee health risks	<ul style="list-style-type: none">Employee retention through the improvement of work motivation and job satisfactionInnovation and corporate growth resulting from the activities of diverse human resources	<ul style="list-style-type: none">Percentage of management positions held by women in Japan: 11.6% (scope: eight Group companies)Encouraging male employees to take childcare leave for work and childcare balance: Percent of male employees taking childcare leave 84.9% (scope: eight Group companies)Continuing provision of career seminars for female employees (scope: eight Group companies)
	Cultivation of human resources	Cultivate human resources so each person can grow and fulfill their potential <ul style="list-style-type: none">Cultivate next-generation business managersDevelop the skills of technical personnel in specialized fieldsCultivate human resources with global perspectives			<ul style="list-style-type: none">Training programs for next-generation managers, including company-developed training programs (N-Map) and participation in external training programs (scope: eight Group companies, 119 participants)Added new training program for all employees to improve their DX abilitiesProgram to train human resources with global perspectives (16 participants, total of 27 alumni transferred overseas as of June, 2024)
	Employee working environments and health	<ul style="list-style-type: none">Continuously strengthen occupational health and safety management activities (zero occupational accidents)Promote workstyle reformPromote health management by implementing measures based on these three pillars: work environment, personal physical care, and mental healthcare			<ul style="list-style-type: none">Regular internal occupational health and safety audits at all Group business sites (implemented at 34 sites in fiscal 2024, including newly added Kumamoto Flour Milling) and independent assessments at business sites in JapanOccupational accidents are analyzed and issues identified, and equipment safety measures and safety education are conducted for accidents deemed particularly serious (such as getting caught in or tangled in machinery, or an elderly worker falling)Improvement of the office environment and workplace-level dialogue meetings on specific issues related to psychological safety (scope: eight Group companies)Continuing inclusion in the “White 500” list of enterprises with outstanding health management systems (Nisshin Seifun Group Inc.), designation as companies with outstanding health management systems (four Group companies)

*1 At Group companies in Japan: Initio Foods Inc., Joyous Foods Co., Ltd., and Tokatsu Foods Co., Ltd., compared to fiscal 2020

*2 Group companies in Japan *3 All Group companies in Japan and overseas