

Disclosure based on TNFD recommendations

Issued April 2025

As a meat and processed food business operator, the Prima Meat Packers Group considers the natural capital and biodiversity to be an essential part of our business, and we believe that we have a responsibility to preserve them for future generations.

In order to understand our relationship with nature throughout the value chain and to transparently disclose nature-related risks and opportunities to our stakeholders, we have analyzed the relationship and disclosed relevant information based on the recommendations by the Taskforce on Nature-related Financial Disclosures (TNFD).

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1. General view

Our stance to sustainability

The Prima Meat Packers Group ("the Group") aims to contribute to achieving a sustainable society through our sustainable growth, based on our "mission" of "contributing to food culture and society through great taste and excitement. The business environment is rapidly changing, with serious environmental issues and diverse market needs. Addressing these issues through our business is essential for the Group's sustainable growth and a sustainable society.

In light of these global environmental and social trends, in April 2024, we identified and added "reducing water usage," "reducing plastic usage," and "safeguarding biodiversity" to the Group's material issues. The Group's environmental policy was also revised. The Group is committed to contribute to achieving a sustainable society by promoting corporate environmental management for the net-zero transition, a recycling-oriented society, and a society that lives in harmony with nature.

Our approach to business and nature

The Group operates livestock production including and meat processing/sales. Therefore, natural capital and biodiversity are essential resources for the sustainable business activities, and a loss of their health would have a tremendous negative impact.

Our dependency/impact on nature, not only in our direct operations, but also upstream and downstream in the value chain, creates nature-related risks and opportunities that affect our group. It is important for us to understand our relationship with nature throughout the value chain.





2. Governance

Governance for promoting sustainability

The Prima Meat Packers, Ltd. has established the Sustainability Committee as an advisory body to the Board of Directors. The Committee discusses goals to address materiality, action plans and their progress, and as necessary, the revision of materiality. The Committee meets three times in FY2024 to discuss nature-related issues, decarbonization, animal welfare, etc. The Committee is chaired by the President/CEO, and its members consist of senior executives and other managers. The subcommittees work with other internal meetings and committees. Among them the Environment Subcommittee discusses naturerelated issues. The Board of Directors deliberates on matters reported by the Sustainability Committee, while checking and discussing the progress of actions against the material issues.

Stakeholder engagement

The Group has established the "Prima Meat Packers Group Human Rights Policy" based on the "Guiding Principles on Business and Human Rights", which was adopted by the United Nations Human Rights Council, recognizing that it must respect the human rights of all stakeholders who are potentially affected by its business activities. The Group have also created the "Prima Meat Packers Group Procurement Policy" and "Prima Meat Packers Group Supplier Code of Conduct" to ensure safe, secure, environmentally and socially responsible procurement, building on trust and co-prosperity with our business partners. In 2024, we conducted an assessment of primary tier 1 meat suppliers. We used Self-Assessment Questionnaire provided by the UN Global Compact Network Japan to understand the current situation of the suppliers from multiple aspects. We continue this initiative to enhance the engagement with supply chain, aiming at the robust risk management and sustainability.



3. Strategy

Overall steps to analyze nature-related issues

In analyzing nature-related issues, it is important to consider the relationship between the value chain and the nature in the locations where our business is operated. We followed the LEAP approach* recommended by TNFD to analyze the relationship with nature and examine the risks and opportunities based on the analysis. We focused on pork value chain as a scope of the for the following reasons:

- Because the share of pork is high in the raw materials used in the Group's business, it is expected that the dependency and impact on nature through the pork business is higher than any other categories of business.
- Because the domestic pork is produced, processed and retailed in an integrated value chain ("integration"), it is expected that the Group is most affected by the nature-related risks from the domestic pork value chain.

The Group recognizes the importance of understanding its relationship with nature throughout its entire business portfolio. We continue to expand and update the scope of the nature-related analysis in order to understand nature-related risks and opportunities across our entire business portfolio, thereby taking further steps to achieve both sustainable growth and nature conservation.

*LEAP is a systematic approach to assessing nature-related risks and opportunities, consisting of four phases: Locate, Evaluate, Assess, and Prepare.



Evaluate the dependency and impact on nature

We have evaluated the dependency and impact on nature of the pork value chain in the Group business. The analysis was conducted 1) by separating the value chain into feed production, swine production, meat processing, food processing, and retail/distribution, and 2) by assigning corresponding economic activities to each stage. ENCORE* was used for the analysis.

Dependency

The dependency on nature was observed to be relatively high in feed production and swine production. In particular, these value chain stages highly dependent on clean water supply, soil quality control and disaster mitigation. We recognized that, if the functioning of nature is damaged, the quality of natural capital and biodiversity could be degraded, which may cause significant risks. We also reconfirmed that the business is highly dependent on water throughout the value chain, including meat and food processing, and that good water resources are an essential element for the sustainable growth of our business. *ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure): Jointly developed by the Natural Capital Finance Alliance (NCFA), the United Nations Environment Programme World Conservation Monitoring Center (UNEP-WCSC) and others, the tool enables the assessment of the dependency and impact on nature for each economic activity in the value chain.

Impact

The impact on nature was observed to be relatively high in feed production and swine production. In particular, the impact was significant for pollutant or excessive nutrients emissions into the air, soil and water, and we recognized the potential burden on nature through the Group's business activities through that path. The potential impact on pollution through water discharge and solid waste was also observed in meat and food processing. We reconfirmed the importance of reducing our environmental impact throughout the value chain. Results of ENCORE analysis: Summary * Dependency and impact Items are listed only if they are in high materiality ratings.



Results of ENCORE anal	ysis. Dep	endency		The	ese iten	is are i	sted as	raw ma	atenais	used in	n each p	process						
Value chain	Feed production	Swin	e product	ion	Mea	it proces	sing		Foo	d proce	ssing			Retail		Distri	bution	
Economic activities (ENCORE Category)				Wholesal e of agricultur al raw materials and live animals	ing and preservi ng of meat	and	cture of plastics product	cture of other food	paper and	cture of plastics product	Manufa cture of vegetab le and animal oils and fats	other chemica I	ale of	sale in non- speciali zed	Retail sale of food, beverag es and tobacco in speciali zed stores		land transpor	
Animal-based energy																		
Biomass provisioning																		
Solid waste remediation																		
Soil and sediment retention																		
Water purification																		
Soil quality regulation																		
Dilution by atmosphere and ecosystems																		
Biological control																		
Air Filtration																		
Flood mitigation services																		
Genetic material																		
Global climate regulation																		
Water supply																		
Nursery population and habitat maintenance																		
Noise attenuation																		
Mediation of sensory impacts (other than noise)																		
Local (micro and meso) climate regulation																		
Pollination																		
Storm mitigation																		Materiality
Water flow regulation																		Ver
Rainfall pattern regulation																		Hig
Recreation related services																		Me
Visual amenity services																		Low
Education, scientific and research services																		Ver Not
Spiritual, artistic and symbolic services																		/No

Results of ENCORE analysis: Dependency

*These items are listed as raw materials used in each process

Very low Not applicable /No data

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Results of ENCORE Analysis: Impact

*These items are listed as raw materials used in each process

Value chain	Feed Production	Swir	ne produc	ction	Mea	at proces	sing	Food processing				Retail			Distribution		
Economic activities (ENCORE Category)	cereals (except rice),	prepared	Raising		Processi ng and preservin	paper and	Manufact ure of plastics products	ure of other food	paper and	plastics products	e and	other	Wholesal e of food, beverage s and tobacco	Retail sale in non- specializ ed stores	s and tobacco		Other land transport
Disturbances (e.g noise, light)																	
Area of freshwater use																	
Emissions of GHG																	
Area of seabed use																	
Emissions of non-GHG air pollutants																	
Other biotic resource extraction (e.g. fish, timber)																	
Other abiotic resource extraction																	
Emissions of toxic soil and water pollutants																	
Emissions of nutrient soil and water pollutants																	
Generation and release of solid waste																	
Area of land use																	
Volume of water use																	
Introduction of invasive species																	

Materiality rating Very high High Medium Low Very low Not applicable /No data

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Identification of priority locations

The TNFD recommends that priority locations be identified among the locations where the business is operated throughout the value chain. The priority locations are areas where a particular attention is required on the natural capital and biodiversity ("sensitive locations") or areas where an organization has identified material nature-related dependencies, impacts, risks and opportunities in its direct operations and upstream and downstream value chain ("material locations"). In this disclosure, we analyzed priority locations, focusing on the Group's swine farms and meat/food processing plants because of their significant direct impact on the business and strategic importance.

For identifying sensitive locations, we considered the results of the dependency and impact evaluation and checked the state of nature, focusing on the indicators of important ecosystem and water risk. For identifying material locations, we analyzed the magnitude of dependency and impact on nature by our business, considering the business scale in the Group and the mid-/long-term strategic importance of locations.

These analysis allowed us to identify swine farms located in Kagoshima, Miyazaki, Hokkaido, and Miyagi as sensitive or material locations.

While feed production upstream in the value chain was out of the analytical scope, we intend to analyze the stage in the future because we recognize its importance when considering the relationship between the business and nature.

Priority Location Selection Process





Protected areas

*Red dots indicate the Group-owned plants/swine farms.

Source: ArcGIS

- No overlap between the plants and protected areas
- Some swine farms located in Miyazaki overlap with protected areas (prefecture-designated wildlife protection area)

Other ecologically important areas



Source: ArcGIS, WWF Risk Filter

• Key ecosystems exists near swine farms in Hokkaido which produce swine at a certain scale.

• Future risk of water scarcity

* Circles indicate the number of swine produced in each farm



Source: ArcGIS, WWF Risk Filter

• The risk is relatively high in Miyazaki, Kagoshima, and Hokkaido, where a number of swine farms are concentrated.

- Future risk of flooding
- * Circles indicate the number of swine produced in each farm



Source: ArcGIS, WWF Risk Filter

• Flood risks are not high in any of the locations.

Identifying risks and opportunities

We assessed nature-related risks and opportunities that could potentially affect the Group's business because of nature degradation and/or social change, based on the evaluation of the dependency and impact on, and the interface with nature. In identifying significant risks and opportunities, we first developed a comprehensive list of potential nature-related risks and opportunities, then qualitatively assessed the impact on the Group's business and the likelihood of their occurrence, finally identifying ones that need to be addressed in priority.

The impact of potential risks and opportunities on the Group's business and the likelihood of their occurrence were assessed based on literature review, statistical data and field surveys, considering the results of evaluation on nature in priority locations at the "Locate" phase. For feed production, which was out of scope in the "Locate" analysis, we assessed the relative impact and the likelihood of occurrence of risks and opportunities arising from the production of corn and soybeans. The assessment was based on the literature review and statistical data, as well as insights from outside experts.

For a comprehensive list of climate-related risks and opportunities, see the section "Climate Change (Disclosure based on TCFD Recommendations)".

Response measures against risks and opportunities

Nature-related risks and opportunities potentially affect the Group's business due to nature degradation and/or social change. Therefore, focusing on the priority risks and opportunities, we discussed and identified response measures to mitigate risks and create opportunities,.

We continue to elaborate on some of the measures to make them more concrete and effective, by continuously looking into the interface with nature and emerging trends in the international community, as well as by consulting internal and external stakeholders.



Diagram- Identify priority risk

Key factors considered in identifying priority risks and opportunities

- Results of Locate evaluations (swine farms/plants)
- Literature and statistics
- Field research and expert opinion

Risks and response measures

	Risk classification		Description of risks	Impact on business	Response measures		
_	Physi	Chroni c	 Decreased productivity and increased fertilizer inputs due to soil erosion and poor soil quality 	Increase in face procurament	•		
production	cal	Acute	 Lower production due to extreme weather and natural disasters Decrease of transport due to lower water levels in rivers and canals caused by reduced rainfall 	 Increase in feed procurement prices Decrease in feed procurement 	 Establish a sustainable procurement system Update and implement business continuity plans 		
Feed pr	Transi tional		 Hindering production due to restrictions on land conversion to agriculture 	procurement	(BCPs) – Use domestic feeds (e.g. feed rice)		
			 Change of market needs due to growing concern among society about the sourcing of raw materials contributing deforestation 	 Loss of sales opportunities 			
	Chroni c Physi		 Poor growth or spread of infectious diseases due to scarcity and poor quality of underground water Increased costs for transport of groundwater, use of water supply, and maintenance of water quality 	prices	t [_] Implement actions to save water		
production	cal Acute	Acute	 Nature degradation causes malfunction of disaster mitigation, leading to extensive damage to barns and farm animals Increased costs for repairs 	 Decrease in pork procurement 	 Implement disaster prevention measures Update and implement business continuity plans (BCPs) 		
Swine p	tional		 Improper treatment of manure pollutes natural environment around farms and downstream areas, leading to increased complaints from local stakeholders 	 Damage to reputation 	 Implement effective wastewater management Improve the capacity of wastewater treatment 		
	tional			 Increase in pork procurement prices 	according to the scale of livestock production		
Plant	Transi tional	Policy	 Increased costs of wastewater treatment due to high loads of wastewater treatment and stricter regulations 	 Increase in manufacturing costs 	 Invest in the carefully-planned replacement of wastewater treatment facilities 		

• Opportunities and response measures

	Opportunity Classification	Description of opportunities	Impact on business	Response measures
Feed production	Market	 Develop new crop species and agricultural production methods, and adaptability to the changing environment 	 Stable procurement 	 Promote sustainable procurement in response to environmental changes Use domestic feeds (e.g. feed rice)
	Resource efficiency	 Reduce costs by improving feed efficiency of hogs 		 Strict quarantine management Health management and the improvement of
production	Technology	 Implement measures to avoid antimicrobial resistance through prudent use and reduction of antibiotics 	 Improved reputation 	immunity Improve the breeding environment
Swine pr	rechnology	 Mitigate the impact of odor to neighborhood communities through its reduction 	 Stable business of swine production 	 Strict monitoring and control of odorants Use odor-improving materials and deodorizing device
	Sustainable use of natural resources	• of natural • Promote resource circulation using manure		 Compost manure for use by farmers
	Resource efficiency	 Reduce cost by improving the efficiency of water use in manufacture 	 Reduction in manufacturing costs 	 Measures for water saving
Plant	Products/	 Effectively use by-products and scraps generated in the manufacturing process and reduce food-loss through the improvement of product life span 	 Improved reputation 	 Reduce food waste and increase recycling rate Extension of best-before date and the development of products for long-term storage
	services	Reduce plastics used in the products	 New market opportunities 	 Reduce plastics in product packages Use biomass materials in product packages

Response measures: Mitigation and adaptation measures at swine farms

Efficient use of water resources

There are a number of swine farms which rely on groundwater for use inside the barns. Sufficient and quality water is an essential element for a swine farm operation. Water is also a precious natural resource that is shared with the community. Nikushitsu Kenkyu Farm,Ltd. is working on efficient use of water because it also relies much on groundwater. Some of the barns are equipped with integrated system of feeding and water supply, which ensures sufficient drinking water for swine while minimizing unnecessary use of water. At Miyagi Farm, wastewater is processed and reused for flushing pits, a manure cleaning equipment, in the barns to achieve efficient water use.

Temperature control in the barns

Temperature control in the swine barns is essential for maintaining swine's health. Nikushitsu Kenkyu Farm,Ltd. Ensures that the air is constantly exchanged in the swine barns through underground pipes. Since the underground temperature is relatively constant throughout the year compared to on the ground, the air passed through the underground pipes can be used for air conditioning inside the barns. We achieve a temperature range that is comfortable for swine while saving energy. Although Miyagi Farm has already introduced a control system for air conditioning, because of the drastic temperature rise in recent years, it is installing spot coolers and large fans in the farrowing barns and cooling pads in some of the swine barns.

Response to disaster

It is necessary for swine farm owners to take preventive measures against natural disasters which are becoming increasingly severe. At Nikushitsu Kenkyu Farm,Ltd. and Miyagi Farm, an emergency power generator is equipped to ensure the electricity supply even if a disaster causes a power outage and maintain the safe environment in the barns for a certain period of time.

Underground pipes (an exterior view)



Emergency power generation equipment



Effective use of compost

It is possible to minimize the impact of manure from swine production on the environment by properly managing the treatment and composting. The Group promotes such compost be used for agricultural purposes. At Miyagi Farm, compost generated from swine production is used mainly by rice paddy farmers in neighborhood, who grow feed rice and other crops. The feed rice produced from the compost is promoted to be used in formula feed for swine, thereby enabling us to achieve resource circulation. We continue to make effective use of resources in the region and contribute to the development of local industries.

Reduction of antibiotics use

The induction of anti-microbial resistance bacteria due to excessive or inappropriate use of antibiotics has become a global issue. The Group recognizes this as an important issue and is working to reduce the use of antibiotics. The Group has achieved antibiotic-free operation in some farms by improving the layout of the barns and quarantine management and feeding environments, including the distribution of farming inputs.

Response to odor

It is important for swine production to take measures to reduce odor for local communities and the environment. At Miyagi Farm, manure generated in the barns is flushed out using a flushing pit to reduce odor. It also installing a device which uses microorganisms for deodorization. In addition, it installed an equipment for treating gas emission in the composting area to remove toxic gases, thereby contributing to reduce odors.

Engagement with the local community

It is important for swine production business to manage relationships with local communities in the neighborhood, as well as to continue efforts to mitigate odors and manage wastewater. Nikushitsu Kenkyu Farm,Ltd. and Miyagi Farm have been participating in environmental activities by the local communities, such as cutting grass and cleaning river. Such activities provide with opportunities for collaboration and constant dialog with local communities. It is important for us to live together with the local while gaining their understanding of the Group's business.

Guide for swine manure compost





Participation in the local environmental activities



Response measures: Initiatives in product development and manufacturing

Reduction of food loss

The Group promotes initiatives in product development and manufacturing to reduce food loss. We have succeeded in extending the best-before date from 35 days to 60 days for "Takumi no Zen® Gift," by using ultra-high pressure processing (HPP) technology, which inactivates bacteria by treating food under ultra-high pressure.

Another case is that Nishi-Nippon Best Packer co., Ltd., a slaughterhouse in the Group, performs gas displacement using MAP technology during the packaging process to prevent the oxidation of meat and the growth of microorganisms, thereby extending the best-buy date of the products and contributing to reduce food disposal in the food distribution and retail.

Reduction of plastic use

The Group uses plastics mainly in food packaging. we have reduced plastics used in our main product "Koukun® Arabiki Pork," by replacing the traditional pouch-type packaging with eco-friendly one.

In addition, for other products including above, we are working to reduce the amount of packaging materials by gradually making plastic packaging thinner and reducing the seal, thereby achieving the reduction of resource use and the maintenance of product quality. We also use biomass materials or replace with paper materials for some of the plastic packaging. Modified Atmosphere Packaging (MAP) device





Koukun® Arabiki Pork Compared to Marhc 2022, plastic use per product was reduced by: 30.0% (as of April 2022), 34.0% (as of March 2023), and 38.5% (as of September 2024).

Column: Initiatives for ensuring animal welfare

The Group has identified animal welfare as an important issue (materiality) and has been advocating the improved management of animal husbandry and promoting practical initiatives on farms.

In July 2024, we announced "Animal Welfare Policy". The policy was formulated based on the guidelines by World Organisation for Animal Health (WOAH) and the "Technical Guidelines for Management of Livestock Species" published by the Ministry of Agriculture, Forestry and Fisheries (MAFF), as well as an expert opinion from Professor Emeritus Shusuke SATO at Tohoku University. The policy informs of the Group's philosophy and goals. We are committed to further promote PDCA cycle toward them and disclose relevant information to ensure transparency. At the kurobuta swine breeding farm of Nikushitsu Kenkyu Farm,Ltd., we have introduced free stalls that allow pregnant sows to move freely. While it is more difficult to manage the physical condition of sows compared to stall rearing, we are able to achieve high productivity at the same time by improving a feeding system and managing their physical condition prior to farrowing.

We are also working on farrowing crates where sows spend the period from farrowing to lactation. At the kurobuta swine breeding farm of Nikushitsu Kenkyu Farm,Ltd., we have introduced flexible farrowing crates that can be adjusted in size according to the size of the sow. Miyagi Farm has introduced open crates (an open-type farrowing facility), where the size of the crate is adjusted according to the farrowing schedule to avoid farrowing accidents, so that sows and pigs can spend more space than in conventional crate rearing and communicate naturally with each other.

Free stall







Open crate



4. Risk and impact management

The Sustainability Committee discusses nature-related risks and opportunities surrounding the Group and reports to the Board of Directors. In response, the Board of Directors deliberates on events of risk concern and determines policies and action plans for addressing environmental issues for the Group.

We recognize that such events of risk concern could lead to company-wide risks that affect the Group's business, performance, and other areas. Decisions made by the Bord of Directors are reflected in specific actions by the Sustainability Committee and the subcommittees.

5. Metrics and targets

The Group has identified several materialities related to environment and promote actions against these issues by setting targets.

Some of the disclosure metrics, which are recommended by the TNFD for disclosure but are still under study, will be disclosed step by step, starting with those that are feasible to apply.

Materiality related to environment	Targets and KPIs
Reduction of greenhouse gas emissions (Scopes 1/2)	 Reduce greenhouse gas emissions by 24.3% by FY2030 (compared to FY2021) *Excluding emissions from overseas sites and those originated from swine.
Reduction of waste emissions	 Reduce waste emissions (waste plastic and food waste) by 5% by FY2030 (compared to FY2021) * Per unit production volume Ensure 98% and above in recycling rate (food waste) (compared to FY2021) *Emission-based
Reduction of water use	 Reduce water use by 3% by FY2030 (compared to FY2021) *Per unit production volume
Reduction of plastic use	Reduction of plastic used for packaging materials
Biodiversity conservation	 Reduce the burden on biodiversity through initiatives to reduce greenhouse gases, water use, waste, etc.

Metric no.	Drivers of nature change	Metric	Assessment metric	Performance (FY2023)
-	Climate change	GHG emissions	a. Scopes 1/2 b. Scope3	 a. 210,000 t-CO e₂ b. 2.99 million t-CO₂ e (non-consolidated)
C1.0	Land/ freshwater/ ocean-use	Total spatial footprint	a. Total surface area controlled/managedb. Total disturbed areac. Total rehabilitated/restored area	 a. 0.487km² % b. 0km² %Calculated from "Status of facilities" in c. 0km² Securities Report (March 2024)
C1.1	change	Extent of land/freshwater/ocean- use change	Extent of change in ecosystem use	Under consideration
C2.0	Pollution/ pollution	Pollutants released to soil split by type	Total amount of pollutants by type	Under consideration
C2.1	removal	Wastewater discharged	a. Volume of water dischargedb. Concentration of key pollutants	 a. 4.34 million m³ b. Under consideration
C2.2		Waste generation and disposal	a. Weight of waste generatedb. Weight of food waste out of ac. Weight of waste out of ad. Food recycling rate	 a. 39,000 tons b. 16,000 tons c. 9,000 tons d. 96.4%
C2.3		Plastic pollution	a. Total weight of plastic usedb. Percentage of recycled or compostable plastics used	a. 6,000 tons (amount of food containers used)b. Under consideration
C2.4		Non-GHG air pollutants	Total amount of pollutants by type	Under consideration
C3.0	Resource use/ replenishment	Water withdrawal and consumption from areas of water scarcity	Water withdrawal and consumption from areas of water scarcity	Water withdrawal 5.71 million m ³ Water consumption 1.37 million m ³ (Volumes targeting areas of water scarcity are under calculation.)
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Procurement quantity of high-risk natural primary commodities by type	330,000 tons in total for pork, beef and chicken (non-consolidated)
C4.0	Invasive alien species and other	Measures against the unintentional introduction of invasive alien species	Proportion of high-risk activities operated under appropriate measures	Under consideration
C5.0	State of nature	Ecosystem condition	Level of ecosystem condition by type of ecosystem and business activity	Under consideration
		Species extinction risk	Species extinction risk	Under consideration

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