




Aiming for Carbon Neutrality by 2050 While Taking Action to Be Nature Positive*

The NISSIN FOOD Group environmental strategy, EARTH FOOD CHALLENGE 2030 stipulates specific measures to address climate change and resource issues. We aim to create a sustainable society and increase corporate value by engaging in more advanced environmental measures.




Challenge to Address Climate Change

	2030 Targets	2023 Results
Manufacture with Green Electricity 	CO ₂ emission reduction (Scope 1 + 2) compared to 2020 levels -42%	-16.1%
Develop with Green Ingredients 	CO ₂ emission reduction (Scope 3) compared to 2020 levels -25%	-2.3%
Complete with Green Packaging 		

Main Initiatives

- Implemented energy-conserving measures
- Expanded renewable energy procurement (increased ratio of renewable energy from 31.9% in 2022 to 51.4%)
- Introduced an internal carbon pricing system of 21,600 yen per ton of CO₂ » p. 41
- Reduced emissions from the base year (2020) mainly through increased RSPO-certified palm oil procurement (38% → 43%) and use of biomass ECO cups (biomass content of 81%+)
- Eliminated lid stickers
- Leveraged plant-based alternative meat technology
- Engaged in initiatives to address logistics issues (joint transportation, modal shift, etc.) » p. 41

Challenge to Effectively Use Resources

	2030 Targets	2023 Results
Source Sustainably 	Sustainable palm oil procurement ratio 100%	43.4%
Conserve Natural Resources 	Overall water use 12.3 m³/million yen of sales	9.7 m³/million yen of sales
Create a World without Waste 	Recycling rate in production process (Japan) 99.5%	99.8%
	Waste from sales and distribution processes (Japan) 50% reduction	51.1% reduction

Main Initiatives

- Procured RSPO-certified palm oil and used satellite monitoring tools to monitor our deforestation risk » pp. 43-44
- Reduced water consumption per sales mainly by recycling water and engaging in other initiatives to reduce water consumption
- Continued recycling waste into feed and other resources
- Reduced waste through more accurate sales forecasting and use of food banks

*Reversal of nature and biodiversity loss

Challenge to Climate Change

The NISSIN FOODS Group aims to manufacture with green electricity, develop with green ingredients, and complete with green packaging. At the same time, we also set targets for reducing CO₂ emissions and take on the challenges of converting electricity to renewable energy and reducing the environmental impact of raw materials.

The Group implements energy conservation measures, adopts renewable energy, and takes other measures to reduce CO₂ emissions to achieve our EARTH FOOD CHALLENGE 2030 environmental strategy CO₂ reduction targets. In November 2022, we also pledged to take action to become Nature Positive, reversing the loss of nature and biodiversity due to deforestation and other factors towards a positive recovery. Our goal is to achieve carbon neutrality by 2050 through net-zero CO₂ emissions.



Manufacture with Green Electricity

CO₂ Reduction Initiatives

The NISSIN FOODS Group participates in the RE100 international initiative, aiming to procure 100% of the electricity used in our business activities from renewable energy sources. We began operations of new solar power generation at two plants in Japan and two plants overseas in 2023, actively adopting renewable energy sources. These efforts increased our renewable energy procurement ratio to 51.4% in 2023.

In the same year, we also introduced the Internal Carbon Pricing system, through which we set our own CO₂ prices to serve as the basis for making decisions in capital investments. Since introduction, we have applied this system to investment decisions regarding new equipment introduction and renewals, striving to introduce equipment highly effective in reducing environmental impact. At the same time, we strive to raise awareness among each employee of achieving carbon neutrality.



Solar panels installed at the NISSIN FOODS (Thailand), Nava Nakorn Plant



Complete with Green Packaging

The NISSIN FOODS Group participates in various initiatives, aiming for all Group products to be packaged in environmentally friendly containers.*1

Changing and Reducing Containers

- Eliminated plastic lid seals on CUP NOODLE BIG (NISSIN FOOD PRODUCTS)



- Transitioned to paper cups for CUP NOODLES (NISSIN FOODS (U.S.A.))



- Switched materials to composite cups for CUP NOODLES, enabling the separation of plastic and paper containers (NISSIN Foods GmbH)



- Transitioned to paper containers for GOROGURA PLANT-BASED and began using biomass ink (NISSIN CISCO)



Collecting Containers

- Public-private partnership project with Kobe City to collect and recycle plastic waste (NISSIN FOODS HOLDINGS)

The NISSIN FOODS HOLDINGS entered a collaborative agreement with Kobe City for the Lactobacillus Beverage Container Collection and Recycling Project as part of the working group activities of the Japan Clean Ocean Material Alliance.



Recycling Containers

- Chemically-recycled*2 PSP (polystyrene foam sheet) cups (NISSIN FOOD PRODUCTS)

The NISSIN FOODS Group succeeded in developing the first prototype of a chemically-recycled PSP cup for instant noodle containers in February 2024. This cup uses chemically recycled materials for the PSP cup, and is expected to lead to the effective use of resources.



*1 Containers made with reduced weight, reduced volume, biomass, paper, material recycling, chemical recycling, recycled materials, etc. *2 The chemical breakdown of waste plastics into reusable materials such as cracked oil, syngas, monomers, and other chemical raw materials.

Challenge to Effectively Use Resources

We set targets to source sustainably, conserve natural resources, and create a world without waste. At the same time, we take on the challenge to use resources effectively through procurement that entails less environmental impact and that reduces waste.



Environmentally Friendly Procurement

Sustainable Procurement Policy

Overseas raw material production processes involve various latent issues, including environmental impact on surrounding areas, child labor, forced labor, and poor working conditions. The NISSIN FOODS Group instituted the Basic Policy on Green Procurement in May 2007 and is promoting the procurement of environmentally friendly raw materials. We also focus on establishing a traceability system from raw materials to product manufacturing and shipment to guarantee product quality. The establishment of the NISSIN FOODS Group Policy on Sustainable Procurement in September 2017 aims to strengthen these efforts. This policy is not only committed to food safety, but also to respecting the global environment and human rights while procuring legally produced raw materials. The Group informs primary suppliers of policy details and obtains signed documents on supplier confirmation, as the cooperation of these suppliers is crucial to achieving sustainable procurement.

Sustainable Procurement Initiatives

The NISSIN FOODS Group takes advantage of certification systems and ensures the traceability of raw materials as part of our efforts to achieve sustainable procurement. For example, all soybeans used by NISSIN FOOD PRODUCTS for fried tofu are certified by the U.S. Soybean Export Council (USSEC), indicating that the soybeans were produced in a sustainable manner. NISSIN FOOD PRODUCTS also sources all cabbages and green onions from contracted and company plantations, with 100% traceability back to the relevant plantation.

The NISSIN FOODS Group also began assessing nature-related risks and opportunities from the procurement of major raw materials in 2023 using the LEAP approach^{*1}

proposed by the TNFD^{*2}. Based on assessment results, the Group plans to work with suppliers to restore natural capital and biodiversity further around the raw material productions.

Another area in which the NISSIN FOODS Group makes active efforts is the sustainable procurement of palm oil, which we use to deep fry instant noodles. Oil palm, the base of palm oil, is mainly grown in tropical regions such as Indonesia and Malaysia. However, certain plantations face tropical rainforest destruction, ecosystem destruction, greenhouse gas emissions due to peat fires, human rights violations of plantation workers, and various other issues.

In the NISSIN FOODS Group's environmental strategy, EARTH FOOD CHALLENGE 2030, we set a goal to raise the procurement rate for palm oil that is assessed to be sustainable to 100% for the entire group by FY 3/2031. We are undertaking measures to achieve this goal as quickly as possible. In addition, we aim to raise the procurement rate for palm oil that is assessed to be sustainable to 100% for our Domestic Instant Noodles Business by FY 3/2026.

Furthermore, we established guidelines in May 2022 for efforts to comply with our Commitment to the Procurement of Sustainable Palm Oil. These guidelines cover our NDPE policy^{*3} as well. We simultaneously released a list of palm oil mills that consolidates the names and locations (location data) of suppliers to improve their traceability. Going forward, we will aim to introduce a forest footprint^{*4} focused on areas at high risk of deforestation and peatland destruction, as well as to expand the scope of traceability back to the oil palm plantations.

^{*1} A process proposed by the TNFD to assess nature-related risks and opportunities systematically on a scientific basis. The LEAP approach is a four-step approach through which we, after selecting the scope of the analysis, **Locate** connections with nature, **Evaluate** to diagnose nature-related dependencies and impacts, **Assess** significant nature-related risks and opportunities, and **Prepare** to address these risks and opportunities and report them to stakeholders.

^{*2} Taskforce on Nature-related Financial Disclosures (TNFD) : An international initiative to develop a framework for private companies and financial institutions to ensure the appropriate assessment and disclosure of risks and opportunities related to natural capital and biodiversity.

^{*3} NDPE = No Deforestation, No Peat, No Exploitation.

^{*4} Total area of forests and peatlands affected by a company's supply chain or financial institution's investments and financing.

Medium- to Long-Term Palm Oil Procurement Initiative Guidelines

	Supply Chain	Initiative Policy	
		Current	-2030
Focused Approach	Oil Palm Plantations	<ul style="list-style-type: none"> Determine and engage with the risk of deforestation and peatland destruction through satellite monitoring tools Conduct field surveys (including interviews with NGOs) 	<ul style="list-style-type: none"> Implement programs to support small farmers Ensure traceability back to the plantations Establish a grievance response mechanism
	Palm Oil Mills	<ul style="list-style-type: none"> Manage information using mill lists Monitor with satellites and engage to identify risks of forest and peatland destruction 	<ul style="list-style-type: none"> Create a forest footprint (focused on high-risk areas)
	Primary Refining Plant	<ul style="list-style-type: none"> Manage information using mill lists Monitor status updates and engage through primary suppliers 	
	Processing and Refining of Oil and Fat	<ul style="list-style-type: none"> Cooperate daily (compliance checks, problem sharing, local mill and plantation status updates) 	

Sustainable Procurement Practices for Palm Oil

Dialogue with Small-Scale Palm Oil Farmers

The NISSIN FOODS Group strengthens the supply chain monitoring system by directly confirming the working environments and the existence of human rights infringement of small-scale oil palm farmers who may be prone to labor exploitation and have difficulty voicing their grievances due to their business positions. This initiative, continued from the previous implementation (2020), was conducted with the support of Caux Round Table (CRT) Japan and SPKS*, a local union of small-scale oil palm farmers in Indonesia.

In FY 3/2024, we conducted online dialogues with small farmers in South Sumatra, Indonesia. These dialogues with approximately 20 farmers revealed no human rights violations, environmental degradation, or other issues requiring immediate action. However, we confirmed instances of the issues identified in dialogues conducted in FY 3/2023. These issues include reduced productivity and profits stemming from rising fertilizer prices hindering fertilizer application, as well as instances in which protective equipment was not worn correctly in favor of work efficiency. Dialogues also identified difficulties for farmers to improve productivity due to lack of training opportunities on proper plantation management.



Economic challenges, such as declining productivity and earnings, may also lead to future human rights violation risks and environmental destruction. We remain committed to using such dialogues and other methods to understand the environmental and societal conditions of small-scale farmers and will work with our suppliers to formulate and implement measures to improve economic sustainability. We will also explore implementing small-scale farmer support programs.

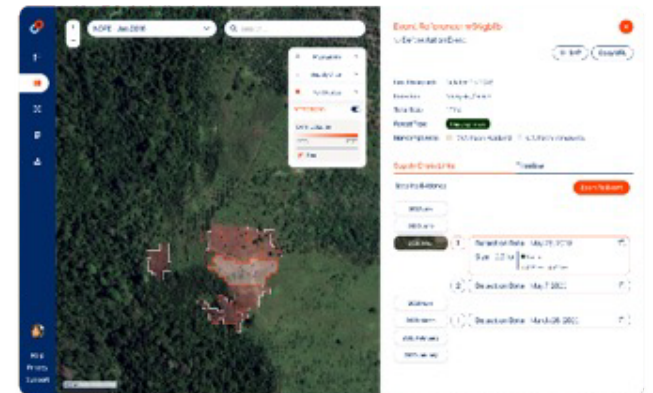
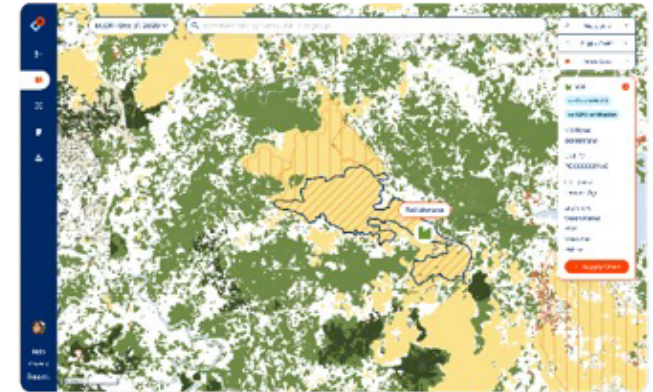
*Serikat Petani Kelapa Sawit (SPKS) is a union of small-scale oil palm farmers established in Indonesia in 2006. This union supports farmers in sustainability-oriented oil palm production with a network of more than 8,000 small-scale farmers in seven regions of Indonesia. The union collects and maps data of small-scale farmers, organizes farmers, trains to improve productivity, and helps farmers obtain Indonesian Sustainable Oil Palm Plantations (ISPO), Roundtable for Sustainable Palm Oil (RSPO), and other certifications.

Utilizing Satellite Monitoring Tools

Using the *Satelligence* satellite monitoring tool, we detect and analyze the risk of forest and peatland destruction in the areas home to the mills and surrounding oil palm plantations that may supply palm oil to the Company.

Mills identified as high-risk verify matters with the oil and fat processing manufacturer from which the mill purchased oil and explore improvement measures. For oil palm plantations surrounding high-risk mills, we conduct a series of field surveys through questionnaires and dialogues with outside experts to monitor in detail impacts on the environment and workers' human rights in production areas.

We are committed to utilizing satellite monitoring tools to further pursue sustainable palm oil.



Note: Images are example screens of the *Satelligence* satellite monitoring tool and do not show actual results

Sustainable Procurement Practices for Palm Oil

Calculating the Social Impact of Certified Palm Oil

We took on the challenge of visualizing the social impact (in terms of monetary value) through RSPO-certified palm oil procurement. This initiative is one of our quantitative analyses conducted in FY 3/2024 of the relationship between ESG and

corporate and social value.

We defined the expected social impact generated through RSPO-certified palm oil procurement, converting monetary value for each impact using transparent logic.

Calculation results confirmed we are creating a positive social impact on society through RSPO-certified palm oil procurement, one of our EARTH FOOD CHALLENGE 2030 initiatives. Visualizing social value enables easier

communication of the significance of sustainable procurement to internal and external stakeholders.

We are committed to improving the scope and quality of our data as we advance our efforts in the sustainable procurement of palm oil, and plan to utilize such data to calculate more precise impacts (in terms of monetary value).

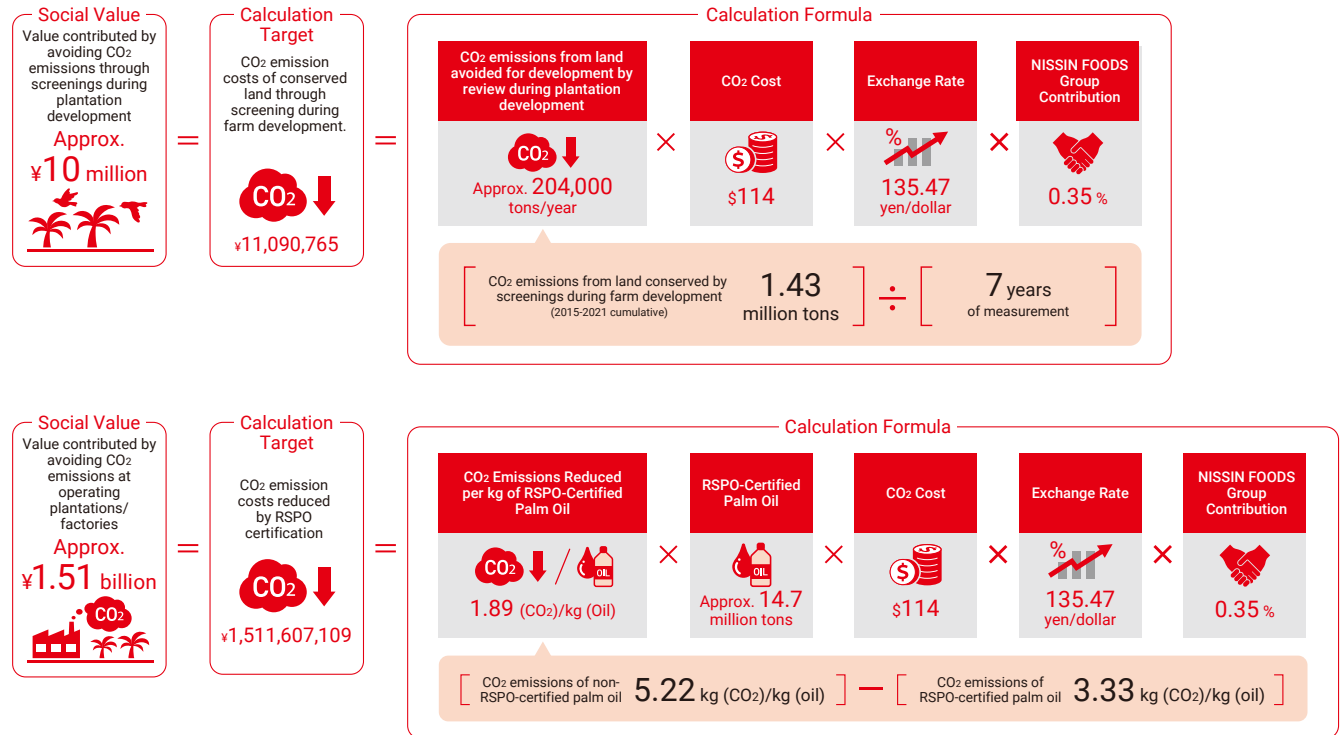
Expected Social Impact Generated Through RSPO-Certified Palm Oil Procurement

Area	Social Value
Nature Conservation	Value contributed to conserving land with high ecological, social and cultural value
Pesticide Management	Value of health hazards avoided through proper pesticide use Value contributed to conserving ecosystems through proper pesticide use
CO2 Emissions Management	Value contributed by avoiding CO2 emissions through plantation development screenings Value contributed by reducing CO2 emissions with RSPO certification
Labor	Value contributed by revising wages Value contributed by revising long working hours Value contributed by preventing forced labor and revising working conditions
Gender	Value contributed by encouraging women's employment Value contributed by providing equal training opportunities for women Value from encouraging women's empowerment
Environmental Impact	Environmental impact of CO2 and pollutants emitted during palm oil production (negative impact)

Calculation Formula

Social value = Nature Conservation + Pesticide Management + CO2 Emissions Management + Labor + Gender - Environmental Impact

Examples of Calculation Logic—CO2 Emissions Management—



TNFD Responses

Assessing Nature-Related Risks and Opportunities

The NISSIN FOODS Group must conserve and recover biodiversity to help achieve the Nature Positive initiative to reverse nature and biodiversity loss. To this end, we conducted a nature-related risk and opportunity assessment in 2024 using the LEAP approach formulated by the TNFD, following our trial analysis in 2023. Using this assessment, we aim to understand the impact that Group business activities have on biodiversity.

We evaluated nine major raw materials (palm oil, soybeans, cacao, rice, wheat, wood chips, shrimp, squid, and minced fish) procured by the Group comprehensively based on various biodiversity metrics and areas required for production. From

these items, we identified four items (palm oil, cacao, flour, and shrimp) to analyze in the following steps after Locate.





Analysis results found that the monoculture of only the plantation crop in palm oil and cocoa cultivation leads to higher risks of infection and the spread of root rot disease and other pathogens. For wheat, the assessment confirmed we utilize rainwater, despite concerns of water shortages in production in Western Australia. The assessment also analyzed previous research data for shrimp and indicated that anthropogenic activities are likely to reduce the catch volumes.

We also conducted a scenario analysis on palm oil, which has a high degree of nature-related dependencies and impacts and is vital to our business. Through this analysis, we explored the risks and opportunities we face in palm oil. More than 90% of biodiversity was maintained in 1992 in major production

areas, before the start of palm forest expansion. This figure was found to have decreased to about 85% and 65% in the procurement areas in Malaysia, Indonesia, respectively. However, the analysis indicated that we could increase the total biodiversity forecast for the procurement areas in Malaysia in the 2060s from about 83% to about 88% by adopting agricultural methods to plant trees and grasses (Alley Cropping) in addition to palm. In the procurement areas in Indonesia, the analysis indicated that it is crucial in biodiversity conservation to go beyond improving biodiversity within palm forests to also prevent new deforestation, especially in terms of illegal logging expansion.

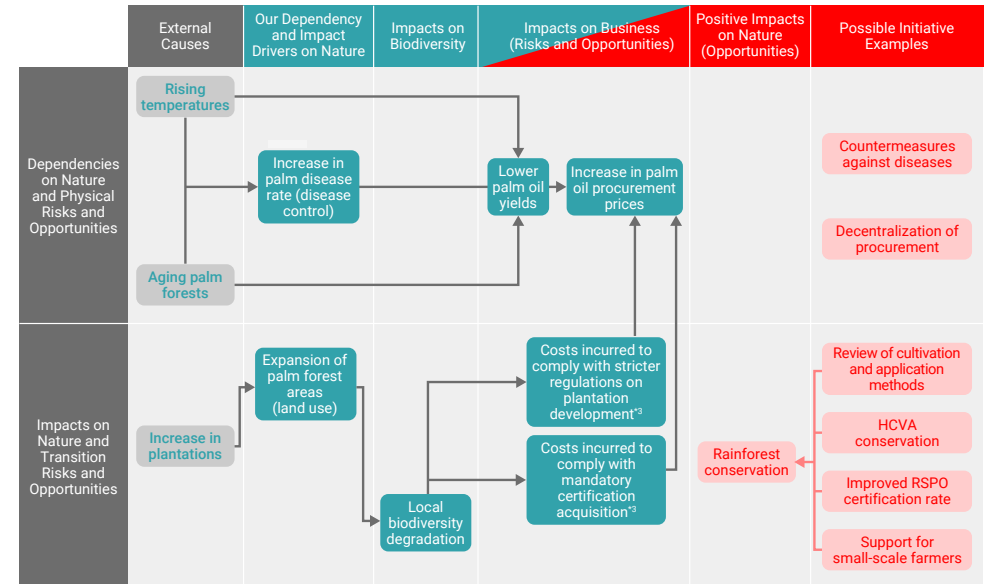
The NISSIN FOODS Group will utilize analysis results to take measures to avoid and mitigate nature-related risks in cooperation with suppliers, leading to sustainable business operations.

Four Raw Materials Analyzed After the Locate Step

Initiative Details	Palm Oil 	Cacao 	Wheat 	Shrimp 
Scoping Review target raw materials	Conservation priority ^{*1} , area required for production, and MSA ^{*2} Top in all metrics	Top in conservation priority and MSA ^{*2} , but small areas required for production	Largest terrestrial area required for production, but MSA ^{*2} and conservation priority are low	Conservation priority ranks at the highest level, with concerns regarding fishing pressure
Locate Identify priority areas	Malaysia Indonesia	Ecuador Ghana	Australia Japan	India
Evaluate Understand the relationship between dependencies and impacts	Concerns regarding use (impact) and disease control (dependence) on terrestrial ecosystems	Concerns regarding use (impact) and disease control (dependence) on terrestrial ecosystems	Concerns regarding water use (impact) but reports that while Western Australia experiences water shortages, we get much water from rainwater	Concerns about marine resource utilization (impact)
Assess Analyze risks and explore actions through scenario analyses	Malaysia Indonesia • Decrease in palm oil yield due to climate change and increased rate of disease • Degradation of local biodiversity due to expansion of palm forests	Not subject to scenario analysis	Not subject to scenario analysis	Not subject to scenario analysis

*1 Conservation priority refers to a ranking of priority areas for conservation based on the distribution and rarity of each biological group.
*2 Mean Species Abundance (MSA) is the rate of biodiversity loss to pristine nature due to the production and catch of raw materials.

Palm Oil Scenario Analysis



■ Positive factors and results for the Group ■ Negative factors and results for the Group *3 Trial analysis results