

# Environment

## Environmental Policy and Management

### ● KAMEDA SEIKA Group Environmental Policy

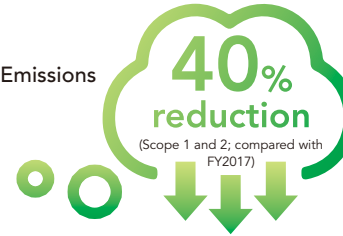
- ① Our mission is to deliver health, deliciousness and excitement to our customers.
- ② As a corporate citizen, we contribute to and exist in harmony with the communities through ecological activities.

### ● Environmental Management System

The KAMEDA SEIKA Group conducts environmental management in accordance with its Environmental Policy, mainly through the Sustainability Promotion Task Force and the EMS Secretariat. In addition, since December 2002 the Group has acquired ISO 14001 certification of its environmental management systems at the headquarters and Global Rice Innovation Center (Facility Development Department) of KAMEDA SEIKA CO., LTD., the Kameda Plant (Danchi and Motomachi), the Suibara Plant and the Shirone Plant. The Environmental Committee of each certified location meets on a monthly basis, and the EMS Secretariat hosts a monthly EMS Meeting attended by representatives of each location to formulate environmental targets and manage progress.

## Response to Climate Change

Total Greenhouse Gas Emissions  
(FY2030 Target)



KAMEDA SEIKA has set a goal of reducing greenhouse gas emissions by 40% by FY2030 compared with FY2017. We are working to curb emissions in the manufacturing process as well as during transportation, including promoting a modal shift. In addition, we are designing measures to calculate and reduce emissions throughout our supply chain.

## Disclosure Based on the TCFD Framework

### ● Endorsement of TCFD Recommendations

Since launching the medium-term business plan that began in FY2018, the KAMEDA SEIKA Group has had the goal of strengthening initiatives toward sustainability and is working to achieve sustainable growth and enhance corporate value.

As a company that uses agricultural products as its main raw materials, we believe that responding appropriately to climate change is a task of the utmost priority, because it is likely to have a serious impact on our supply chain. In November 2021, the Company announced its endorsement of the TCFD recommendations and joined the TCFD Consortium, a forum for discussion among supporting companies and financial institutions.



Initiatives for TCFD Recommendations  
<https://contents.xj-storage.jp/xcontents/AS01309/fe24a744/a5ff/4683/8a16/70ee3afecb07/20220621172928555s.pdf>

### ● Governance

The Sustainability Promotion Task Force, which is headed by the Chairman & CEO, engages in sustainability-related initiatives including those related to climate change. The Sustainability Promotion Task Force sets policies and detailed targets for the resolution of various issues related to sustainability, devises systems and specific execution methods for their implementation, and monitors the progress of measures, among other activities.

Details of the Sustainability Promotion Task Force's activities are submitted regularly for discussion or reported to the Board of Directors so it can fulfill its role of overseeing the status of responses to key issues.

In FY2022, the Sustainability Promotion Task Force reported the following to the Board of Directors and Management Meeting.

(1) November 2022 meeting of the Board of Directors

Report on sustainability-related initiatives including those related to climate change

- Main ESG initiatives, including reduction of greenhouse gas emissions, plastic, and waste emissions, and a comparison of targets and actual results for FY2021
- Identified material issues for the Group and issues to be addressed
- Future sustainability promotion plans

(2) March 2023 Management Meeting

Discussed and reported on the organizational structure of the Sustainability Promotion Task Force as well as main action plans and KPIs for materials issues

- For the six material issue categories and 19 specific issues that were identified, we designated a category leader and main person in charge of addressing specific issues, and made enhancements to the Sustainability Promotion Task Force.
- Initiatives and KPIs for material issues have been determined by the main person in charge.
- KPIs have been set for FY2026 (interim) and FY2030 (final) in conjunction with the new medium-term business plan.
- Regular material issue progress reports will be shared by the secretariat of the Sustainability Promotion Task Force and category leaders

## ● Strategy (Scenario Analysis)

We have considered two world views of the future, a 4°C scenario and a 2°C scenario, covering the Group's entire value chain including procurement, production, and supply of products and services. We have examined the impact of climate change on the Group up to 2030, and identified risks and opportunities under each world view.

## ● Risk Management

The management of climate change-related risks is integrated into the Company-wide risk management system, and is led by the Risk Management Committee. In principle, the committee meets at least once each quarter, and reports to the Board of Directors on the content of its deliberations and the progress of discussions as part of its efforts to control and manage overall risk management.

Raw material procurement risks, including those related to climate change, are considered significant risks in the risk maps created by the Risk Management Committee. The Management Meeting in May 2023 identified procurement risks arising from poor harvests of some agricultural products used as raw materials as significant risks, and considered options including the sourcing of alternative raw materials.

## Key Impacts on the Group under Each Scenario

Classification	Risk	Impact on Business	Degree of Impact	
			4°C	2°C
Transitional Risks	Introduction of carbon pricing	Operating and raw material costs will increase with the introduction of carbon taxes and emission rights trading	Low	High
	Increase in electricity prices	Electricity costs will rise with the shift to renewable energy generation	Low	Medium
	Increase in packaging costs	Cost of petroleum-based plastic packaging materials will increase due to higher fossil fuel prices and the enforcement of plastic use regulations	Medium	Medium
Physical Risks	Changes in customer preferences	Increased consumer awareness, including ethical consumption, will affect the demand for conventional products	Medium	High
	More extreme weather events	Physical losses and costs to respond will be incurred due to direct damage and disruption of logistics networks caused by typhoons and torrential rains	High	High
Physical Risks	Rising temperatures and changing weather patterns	Procurement quantity and related costs will be impacted, as well as a decline in the quality of the Group's main raw materials such as rice and peanuts	High	Medium

## Specific Measures

### Reducing CO<sub>2</sub> Emissions and Energy Consumption

Measures have included the conversion of core machinery at all four Company plants in Niigata Prefecture from fuel oil A and liquefied petroleum (LP) gas to city gas. In August 2022, the Kameda Plant introduced 100% carbon-free Yorisou renewable energy supplied by Tohoku Electric Power Co., Ltd. In addition, the Suibara Plant began using renewable energy in August 2023.

We will also work to reduce energy consumption in rice cracker manufacturing processes, including through an upgrade to baking equipment with high thermal efficiency and reuse of waste heat.



Yorisou renewable energy certificate of contract



The Kameda Plant was recognized by the Niigata Prefecture Environmental Preservation Association as an Excellent Environmental Preservation Business in 2022.

### Promotion of Modal Shift

We have been promoting a shift from truck to railway freight transport, which has lower CO<sub>2</sub> emissions, and are certified as an Eco-Rail Mark company. In FY2022, the modal shift rate was 30.0%.

Subsidiary Niigata Yusou Co., Ltd. is certified as an Eco-Rail Mark supporting company.

### Two Eco-Rail Mark Certified Products

The Eco-Rail Mark on the back of KAMEDA Kaki-no-Tane package



180 gram package of KAMEDA Kaki-no-Tane

The Eco-Rail Mark on the back of Happy Turn package

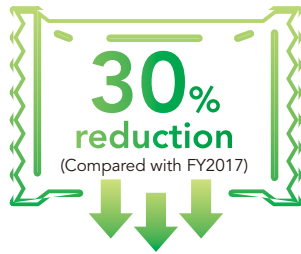


96 gram package of Happy Turn

## Initiatives to Contribute to Establishing a Circular Economy

For the Group to conduct its business activities in a sustainable manner, it is essential to contribute to establishing a circular economy that effectively uses limited resources and thus reduces its environmental impact. We will contribute to establishing a circular economy by curbing the amount of waste generated in our business activities and by working to use resources efficiently.

Amount of Plastic Used  
(FY2030 Target)



### Use of Sake Rice

Rice is one of nature's blessings, and one measure we employ to use it without waste is to utilize the rice flour left over from polishing rice for sake as a raw material in KAMEDA Kaki-no-Tane.

### Reducing Plastic Use

Awareness is growing worldwide about issues caused by single-use plastics, including the increase in marine plastic waste and the impact on the environment from greenhouse gases generated during plastic incineration.

As a manufacturer of consumer goods, the Group recognizes that reducing the amount of plastic it uses is a key issue that should be addressed as a priority. We have set targets for FY2030 that include switching to ECO-packages for all KAMEDA SEIKA products to reduce the amount of plastic that KAMEDA SEIKA and consolidated subsidiaries in Japan use by 30% compared with FY2017. In FY2022, plastic use increased by 3.9% compared with FY2017 due to an increase in sales volume, but per-unit plastic use decreased by 6.5% compared with FY2017. Our overall progress

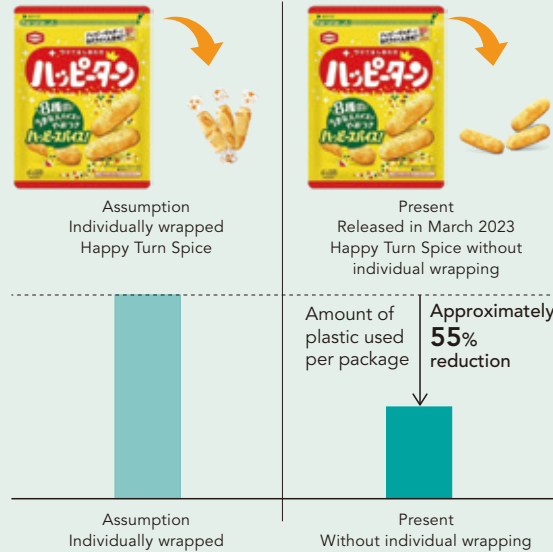
since FY2022 in transitioning to ECO packaging has involved initiatives to reduce the amount of plastic we use. This has included changing packaging sizes for our four key brands and developing products that do not rely on individual packaging.

## Specific Measures

As part of our efforts to reduce plastic use, we are promoting product development that does not rely on individual wrapping.

Launched in March 2023, 73g Happy Turn Spice is not wrapped piece by piece. We calculate that we have reduced the amount of plastic used for Happy Turn Spice by approximately 55% by eliminating individually wrapped pieces.

### • Examples of Initiatives



### Food Waste and Final Landfill Waste

The Company conducts initiatives to reduce food loss in its manufacturing processes through eco-feed activities, in which non-sellable rice crackers are recycled as livestock and fish feed, and through donations of products to food banks. In addition, our consolidated subsidiaries in Japan and overseas are working to reduce food loss by providing rice cracker scraps as feed for livestock and birds at sanctuaries. We are also considering reusing discarded plastic packaging materials.

### Water Use

Water is an essential resource for growing rice, the Group's primary raw material, and also plays an extremely important role in the manufacture of our products. When conducting business activities, the Group recognizes the importance of properly understanding the impact of climate change and other factors on water resources and the need to consider efficient water use.

Water use by the Company and its consolidated subsidiaries in Japan in FY2022 increased by 1.7% compared with FY2017 due to increased production, but per-unit water use decreased by 8.4% compared with FY2017. We are promoting efficient water use mainly by consolidating production plants, reducing the number of production line changes that require cleaning by reducing SKUs,\* and minimizing water use during cleaning.

\* Stock keeping units