

NH Foods U.K. Limited

Section 172(1) Statement

The Companies Act 2006 (CA2006) sets out a number of general duties which directors owe to the company. Legislation was introduced to help shareholders better understand how directors have discharged their duty to promote the success of the company, while having regard to the matters set out in section 172(1) (a) to (f) of the CA2006 (s172 factors).

In identifying key stakeholders and ensuring that their needs (including Section 172 factors) are considered in decision-making, the Company follows the policies, procedures and governance arrangements of the NH Foods Group. Further information about the NH Foods group policies, procedures and governance arrangements, as well as its identification of, and engagement with, key stakeholders may be obtained from its website;

<https://www.nipponham.co.jp/eng/>

The NH Foods Group's corporate philosophy, Management Principles and Action Guidelines, is also our guideline to conduct our business as NH Foods U.K. Limited.

NH Foods Group Corporate Philosophies

1. Under the basic theme of "Joy of Eating" our company creates a culture that marks an epoch and contributes to society.
2. Our company is a place where employees can feel truly happy and fulfilled.

Management Principles

1. Act with noble ideals and the determination to achieve them.
2. Learn from others, teach others, and be willing to be taught by others.
3. Create the times by meeting the needs of the times.
4. Expand relationships through quality and service, and take responsibility for all people with whom we have relationships.
5. Strive for a highly functional organization.

Action Guidelines

The NH Foods Group endeavours to make a contribution to society through food.

We take pride in our position as members of the NH Foods Group, and are aware of all that membership entails.

We will:

1. Always maintain a customer-oriented perspective and act accordingly.
2. Show our gratitude for society's trust in us by acting with integrity.
3. Strive to anticipate the changing times and overcome challenges proactively and with courage.
4. Set ourselves challenging goals, and work to achieve them with enthusiasm and ingenuity.
5. Endeavor to develop selves, enhance each other, and join forces to conduct the business of the company.

►Statement on business relationships

As a member of NH Foods Group, the company makes efforts to realise the Group's basic theme – World leader in delivering the "Joy of Eating". To fulfil our mission, the company undertakes business activities in response to the expectations and trust of stakeholders including customers, local residents, business partners, shareholders, investors, and employees. The company's approaches and activities during year 2022/23 toward each stakeholder were as below;

Our approach to customers

We shall rise to the expectations of our customers and aim to satisfy by providing safe, reliable and high-quality products and services along with suitable information. Moreover, we shall fully understand and comply with all relevant laws, regulations and rules.

Through the company's day to day business activities, we are searching customers' needs and market trends. Currently, in response to EU customers' requests, we are working to introduce allergen-free foods manufactured at a special-purpose factory of NH Foods Group, where seven specified allergen ingredients (milk, egg, wheat, buckwheat, peanut, shrimp, and crab) are banned from the premises. We expect the project will come to fruition in the coming year.

Our approach to business partners

When putting the corporate philosophies into practice, NH Foods Group believes that it is more effective to actively promote initiatives not only within the Group, but also in cooperation with partners throughout the supply chain in order to create a sustainable society. When we choose our business partners, we are paying attention to not only the quality of products but also the partner's approach towards environment and animal welfare. Now, most of our business partners meets NH Foods Group Sustainable Procurement Guidelines.

We strive to ensure the safety of all the raw materials, ingredients, and goods we purchase, and actively verify the quality control practices and legal compliance of our suppliers. Moreover, we engage in fair and transparent business practices, and build relationships of mutual trust with our business partners.

We consider that it is our social responsibility to supply safe products. To achieve this end, each of the company's staff frequently communicates and co-works with our business partners for stable supplies and assurance of safety and quality. In the financial year 2022/23, the post Covid-19 pandemic era, we've re-started visiting production sites and communicating face-to-face to maintain our standards.

Our responsibility to shareholders and investors

As we are 100% owned by NH Foods Ltd, we consider ourselves responsible to our shareholder and its shareholders. Our management regularly attend global conferences organised by NH Foods Ltd. We shall provide appropriate and timely information to our shareholder and investors to assist in improving our corporate value.

Our responsibility to society

We comply with all relevant laws and regulations and contribute to solving social issues through our business as we promote environmentally-harmonious corporate operations on the path to realizing a sustainable society. The Group's corporate philosophy of the "Joy of Eating" is expressed through the pleasures of good eating and the joys of health. We believe that, by linking food and sports, we could be of some help for supporting people's mental and physical well-being. As our actual contribution to society, the company financially supports a local junior football team, as well as local sports and community events.

A fulfilling workplace

We shall respect all fellow Group executives and employees, and aspire for a workplace that is both fulfilling and that allows the optimal use of individual skills. The company seeks to become a place where employees can feel truly happy and fulfilled. Throughout the year 2022/23, the Company engaged in activities aimed at developing employee awareness and skills, realizing a healthy work-life balance, promoting diversity, and maintaining healthy minds and bodies.

- ▶ Promotions and investments for employees to let them attend various business seminars and skill developing classes
- ▶ Promoting and disbursing for the employees' health checks at private medical institutions.
- ▶ Announcements and usage promotion of NH Group Global Help Desk in regard to any employment issues and concerns.

▶Statement of employee engagement

Based on the belief that our employees are the "precious assets" of NH Foods Group, the company sees its employees as "human resources" and is well aware that respecting fundamental human rights is one of our main social responsibilities. The company will not engage in any discriminatory treatment or harassment on the basis of sex, age, nationality, religion, creed, social status, disability, and so on, such that we can create a better corporate culture and respect fundamental human rights.

In regard to the group's approach for employee's health, and occupational health and safety, please refer;

https://www.nipponham.co.jp/eng/csr/human/health_safety/

Please also refer;

<https://www.nipponham.co.jp/eng/csr/human/diversity/>

for the Group's basic view about human resource.

The directors are in close ongoing contact with the company's small number of employees, allowing them to understand and act on employee concerns and feedback on an ad hoc basis. The company is making efforts to provide a motivating and positive work environment and instil pride in its employees.

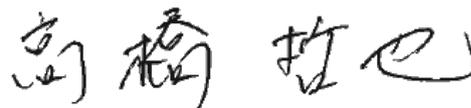
▶ **Energy and Carbon reporting**

Our company's annual carbon emissions were below the minimum threshold. The Company has taken the exemption not to report carbon emissions.

NH Foods Group is cognizant that climate change is a pressing issue in people's lives and our business activities, and are working to cut emissions throughout the Group such as by reducing CO₂ emissions, using energy efficiently. The Sustainability Committee in our headquarter, Japan debates important policies, the development of measures, and initiatives related to climate change. The matters discussed and decided on by management committees are taken up for discussion by the Board of Directors.

In June 2020, NH Group endorsed the proposal presented by the Task Force on Climate-related Financial Disclosures (TCFD) and became a member of the TCFD Consortium. In the year 21/22, NH Group established the TCFD Committee to evaluate the risks and opportunities accompanying climate change and following this, to formulate potential scenarios for conducting scenario-based analysis Measures for responding to risks and opportunities are being considered, and NH Group have been disclosing information based on the TCFD Framework since May 2022.

Approved by the Board of Directors
and signed on behalf of the Board



T Takahashi
Managing Director
November 2023