

# S&B Foods’ Sustainable Value Chain

All of our employees take responsibility for their own roles in each business process and cooperate with our various stakeholders to create value unique to the S&B Foods Group. We are engaged daily in R&D and product development from a customer perspective, strengthening our marketing activities, and enhancing productivity in each process along the value chain. Through these activities, we aim to be a company that is trusted and chosen by all our stakeholders.



## Product planning, R&D

By putting ourselves in our customers’ shoes, we create products that provide them with heartfelt satisfaction. By analyzing risks from a wide range of standpoints, we research and develop products that are safe, reliable, and provide value.

**[Strengths and features]**

- Product creation from the customer perspective
- Environmentally friendly product development operations
- Collaboration with external organizations
- Development of products that cater to diverse needs

**[Identified challenges and social demands]**

- Offer products adapted to the changing social environment and new products that provide value
- Reduce environmental impact (reduce the amount of packaging materials used)

**[S&B Foods’ initiatives]**

**Product development adapted to changes in the food scene and household structure**

Products such as our powder roux, which is easily dissolved to save cooking time, our conveniently sized one-time-use Curry Powder Stick and Stick Spice, which enable customers to enjoy rich aroma at any time, and the seasoning mixes that allow them to easily enjoy authentic flavors all enable cooking for a small number of people. With the increasing diversity of the food scene, we are engaged in developing a broad range of products to match our customers’ various lifestyles.

**Allergy-friendly product development**

We sell 13 different products for people with food allergies, including the Curry no Oujisama Series for household use and our Allergen-free Series for commercial use in school lunches. For these products, we thoroughly control each process from the procurement of ingredients through manufacture to post-production inspection for the relevant allergens. We are constantly working to improve flavor and quality so that everyone can enjoy delicious curries and stews at home and at school.



## Ingredient procurement

We engage in responsible initiatives beginning with the procurement of ingredients, with consideration for the natural environment and communities in growing areas, to stably procure safe, reliable, high-quality ingredients.

**[Strengths and features]**

- Establishment and promotion of our Basic Sustainability Purchasing Policy
- Safety and reliability initiatives
- Initiatives for stable procurement
- Establishment and promotion of our Sustainable Procurement Commitment

**[Identified challenges and social demands]**

- Ensure safe and reliable ingredient procurement
- Use sustainable resources
- Consider biodiversity

**[S&B Foods’ initiatives]**

**Sustainable procurement of spices based on the Basic Sustainability Purchasing Policy**

We have set a sustainable procurement goal for our main spices\* that takes into consideration safety, human rights, the environment, and compliance with a target of reaching the goal by 2030. Through a three-step process consisting of survey, analysis, and improvement aimed at attaining our goal, we are currently undertaking supplier surveys. We have already given a questionnaire survey based on five items in our Basic Sustainability Purchasing Policy. In fiscal 2023, we actively visited spice-growing areas to interview our suppliers in detail.

\* Main spices: pepper, chili pepper, mustard, parsley, laurel, oregano, wasabi, turmeric, coriander, and cumin



## Production management

Through the operation of our unique quality assurance system, we engage in creating safe products with quality as our top priority.

**[Strengths and features]**

- Operation of a quality assurance system
- Introducing IoT for transformation into smart factories
- Information management of production history

**[Identified challenges and social demands]**

- Manufacture safe and reliable products
- Ensure the stable supply of products
- Reduce food waste

**[S&B Foods’ initiatives]**

**Implementation of quality assurance council meetings**

Quality assurance council meetings are held regularly, attended by quality control representatives from the quality assurance division at the head office and from factories. Members share information such as customer feedback and safety measures taken at their respective factories, exchanging opinions on different issues. Through these meetings, we are further deepening our creation of safe and reliable products. The implementation of quality assurance council meetings was also identified as a non-financial target under the Third Medium-Term Business Plan.







## Logistics

We are engaged in improving logistics efficiency and mitigating environmental impact to ensure that our products are delivered safely from the factory to our customers.

### [Strengths and features]

- Logistics for safe and reliable transportation
- Initiatives to reduce environmental impact from logistics

### [S&B Foods' initiatives]

#### Enhance the logistics system

S&B Foods currently offers an extensive lineup of about 3,000 products. Through regular meetings with logistics operators, we exchange views to share and improve issues and endeavor to improve quality on a daily basis. In addition to increasing the size of the trucks used for transportation to enable greater carrying capacity per trip, we are endeavoring to achieve more efficient transport and delivery by working with our trading partners to revise the size of ordering lots.

### [Identified challenges and social demands]

- Mitigate environmental impact (reduce CO<sub>2</sub> emissions, promote the 3 R's, reduce water consumption, and achieve a modal shift)
- Address the "year 2024 problem" in logistics
- High-quality logistics services



## Sales

We aim to expand S&B Foods' global fan base by communicating the appeal of our products to a broad range of trading partners, including retailers, restaurants, food processors, and other businesses around the world.

### [Strengths and features]

- Extensive product lineup catering to diverse needs, from our own branded products such as spices, herbs, and curries to products from overseas brands
- Planning and proposal-based sales activities in Japan and overseas
- System of collaboration with contracted growing areas across Japan for our fresh herb sales
- Lineup of export-only products tailored to each country's legal and regulatory environment

### [S&B Foods' initiatives]

#### Planning and proposal-based sales activities that support our sustainable growth

At S&B Foods, we constantly pursue planning and proposal-based sales activities from our customers' perspective, aiming to achieve sustainable growth together with our trading partners. To achieve our Corporate Philosophy—"Bring natural life and happiness to every household"—we offer proposals based on consumer and market trends using our lineup of over 3,000 products tailored to diverse customer needs. This ability to make proposals is one of our strengths.

### [Identified challenges and social demands]

- Sale of products that cater to diverse needs
- Contribution to the popularization of Japanese cuisine overseas



## Efforts to communicate product appeal

Communicating the joy and importance of food to our customers is one of our main initiatives for business continuity and growth. For example, our seasoning products replace the trouble of making each day's meals with the joy of choosing items from a menu, enabling customers to easily make cuisine and side dishes from around the world. To communicate the appeal of such products, we set up displays such as our unique meal solutions cabinet, specialized for exhibiting our lineup of seasonings, at the front of retail stores as a way to encourage customers to select our products. Through our meticulous proposals, we aim to be a company that is trusted by our customers.



## Communication

We endeavor to make use of the feedback obtained from even more customers through our Customer Service Center and website in our products and services.

### [Strengths and features]

- Establishment of the Customer Service Center, connecting us with our customers
- Initiatives to reflect customer feedback in our products
- Use of websites and social media in Japan and overseas

### [S&B Foods' initiatives]

#### Utilizing an information management system

At S&B Foods, we have introduced the Compass System, an information management system for the integrated management of inquiries and feedback from customers. This system relays customer feedback swiftly and accurately to the relevant divisions so that we can make use of it to improve products and enhance services. The name "Compass System" embodies our desire to utilize customer feedback as a compass to indicate the direction S&B Foods should pursue to create products that will bring our customers a high level of satisfaction.

#### Communication via our corporate website

Our corporate website plays an important role in providing a wide range of information on matters such as our Corporate Philosophy, vision, product information, IR information, and corporate governance. By communicating over 7,000 recipes and our initiatives related to appropriate salt consumption and food allergies, we strive to be regarded in society as an irreplaceable company.



S&B Foods corporate website (Japanese)  
<https://www.sbfoods.co.jp/>

### [Identified challenges and social demands]

- Provide information on our products
- Initiatives to address social issues (support activities, initiatives with local communities, initiatives to address food-related issues)

#### Compass System utilization process

