

Materiality Progress Report (FY2021)

NH Foods Ltd.

June, 2022

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In February 2021, NH Foods Group identified the Five Materialities (key issues) as the social issues to be solved on a priority basis toward the realization of Vision 2030. We have also set measures and indicators to achieve the Five Materialities toward the realization of a sustainable society, and are advancing these initiatives.

Here we report on the progress made in FY2021, focusing on areas with numerical targets.



Stable procurement and supply of proteins

Measure	Indicators	FY2021 Results
Promote CSR procurement	<ul style="list-style-type: none"> Inform important primary suppliers of policies and implement SAQ by FY2030. Target: 100% Disseminate policies to important secondary suppliers and implement SAQ. *SAQ: Self-Assessment Questionnaires	<ul style="list-style-type: none"> Have 99.4% SAQ implementation for important primary suppliers. *Scope: NH Foods Ltd., Nippon Luna, Inc., Hoko Co., Ltd., The Marine Foods Corporation <ul style="list-style-type: none"> Dissemination of policies to important overseas primary suppliers is ongoing.
Promote initiatives that take animal welfare into consideration	<ul style="list-style-type: none"> Elimination of gestation crates on all NH farms in Japan (pigs) (by the end of FY2030) Installation of drinking water facilities in lairage pens at all NH meat processing plants in Japan (pigs and cattle) (by the end of FY2023) Installation of cameras on all NH farms and meat processing plants in Japan to ensure environmental quality (by the end of FY2023) *For companies in which NH Foods Group holds a majority stake	<ul style="list-style-type: none"> Establishment of the NH Foods Group Animal Welfare Core Values / Code of Conduct Click here to see our Animal Welfare Core Values / Code of Conduct Elimination of gestation crates on all NH farms in Japan (pigs) Progress rate: 9.5% *The proportion of the number of heads bred Installation of drinking water facilities in lairage pens at all NH meat processing plants in Japan (pigs and cattle) Progress rate: cattle 50.0%, pigs 62.5% *The proportion of the number of plants Installation of cameras on all NH farms and meat processing plants in Japan to ensure environmental quality Selection of locations for camera installation is ongoing.
Expand sales of plant-derived protein products	FY2030 shipment amount: ¥10 billion	<ul style="list-style-type: none"> Shipment amount: ¥230 million (128.1% that of the previous year) Click here to see the brand website for our main products made from plant-based ingredients, the NatuMeat series.(Japanese website)
Promote acquisition of third-party certification. (FSSC22000, SQF, BRC, JFS, etc.)	*Being formulated	<ul style="list-style-type: none"> Number of third-party certifications acquired: 142 Click here to see details of the certifications acquired(Japanese website)
Develop human resources through specialized technical certification and other training	*Being formulated	<ul style="list-style-type: none"> Number of employees who have completed e-learning: 3,753 Number of employees who have completed basic technical training: 70 Number of employees who have newly passed as certified experts: 4 Number of employees who have newly passed the food labeling examination: 91

Food diversification and health



Measure	Indicators	FY2021 Results
Expand our lineup of food allergy-related products and raise awareness	FY2030 shipment amount: ¥4 billion	<ul style="list-style-type: none"> Shipment amount: ¥1.08 billion Click here to see a list of our allergen-free foods (Japanese Website) Launched the Table for All service, a comprehensive platform for food allergy care(Japanese website)
Research and commercialize new ingredients for improving cognitive function	Supply the equivalent of 3 million meals per year by FY2026	<ul style="list-style-type: none"> IMIDEA, a Food with Functional Claims designed to reduce fatigue and maintain memory capability, went on sale (from December 1, 2021)
Develop products that contribute to health	*Being formulated	<ul style="list-style-type: none"> Number of health-conscious products: 64

Contributing to a sustainable environment



Measure	Indicators	FY2021 Results
Reduce CO2 emissions from fossil fuels	Reduce by at least 46% by FY2030 (compared to FY2013) FY2030 reduction target value: 253,239 t-CO2 Baseline: 550,518 t-CO2	Reduction: 70,453 t-CO2 Progress rate: 27.8%
Reduce waste emissions	Reduce by 5% by FY2030 (basic unit per production quantity compared to FY2019) FY2030 reduction target value: 6.7kg/t Baseline: 134.6 kg/t	Reduction: 9.9 kg/t Progress rate: 147.8%
Improve the waste recycling rate	Achieve a waste recycling rate of at least 92% by FY2030	Recycling rate: 93.0%
Reduce water consumption	Reduce by 5% by FY2030 (basic unit per production quantity compared to FY2019) FY2030 reduction target value: 0.8 m ³ /t Baseline: 15.2 m ³ /t	Reduction: 0.2 m ³ /t Progress rate: 25.0%
Switch to certified palm oil	Use 100% RSPO-certified palm oil by FY2030 (including book & claim)	Usage sites and products are under consideration
Use environmentally friendly materials (recycled materials, biomass materials, etc.) and reduce the amount of packaging materials used	*Being formulated	Combining the results

Co-creation and shared prosperity with local communities and society as a whole through food and sports



Measure	Indicators	FY2021 Results
Promote activities for co-creation with local communities through sports (new Hokkaido Ballpark, sports/food education classes, etc.)	*Being formulated	Number of events: 198 Number of participants: 8,336 Activity cost: ¥439,457,000
Promote community contribution activities, including cultural activities (cooperation and clean-up activities for local events, etc.)		Number of events: 246 Number of participants: 1,742 Activity cost: ¥186,994,000
Promote social welfare activities through food (supplying food to food banks and "Kodomo Shokudo," etc.)		Number of events: 145 Activity cost: ¥21,490,000
Support the development of the next generation through food and dietary education, etc. (in-class lessons, career development support, food-making workshops, etc.)		Number of events: 60 Number of participants: 10,602 Activity cost: ¥4,915,000

Employee development and respect for diversity



Measure	Indicators	FY2021 Results
<ul style="list-style-type: none"> Support job satisfaction Foster a corporate culture that encourages employees to take on challenges Carry out initiatives for fair evaluation and compensation, etc. 	*Being formulated	Carry out initiatives for fair evaluation and compensation *NH Foods Ltd. · Percentage of employees subject to MBO (management by objectives) evaluation: 100.0% Promote active participation by women *NH Foods Ltd. · Percentage of female employees: 28.4% *General employees only · Percentage of female managers: 8.5%
<ul style="list-style-type: none"> Promote active participation by women Support initiatives for childcare, nursing care, persons with disabilities, etc. Reduce total working hours Establish a human rights due diligence system, etc. 		Support initiatives for childcare, nursing care, persons with disabilities, etc. *NH Foods Ltd. · Rate of employees returning to work from childcare leave: 98.5% · Employment rate of people with disabilities: 2.7%