

Materiality Progress Report (FY2022)

NH Foods Ltd.

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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 FY2022, focusing on areas with numerical targets.



Stable procurement and supply of proteins

Measure	Indicators	FY2022 Results
Promote sustainable procurement	<ul style="list-style-type: none"> 100% rate of informing important primary suppliers※1 of policies and implementing SAQ※2 by FY2030 Communicate policy to key primary suppliers and implement SAQ by FY2030. 	<ul style="list-style-type: none"> SAQs were conducted with 59 key primary suppliers. 100% of responses were received.
Promote initiatives that take animal welfare into consideration > Click here to see our Animal Welfare Core Values / Code of Conduct	<ul style="list-style-type: none"> Abolition of gestation stalls in all domestic farms (pigs)*3 Implementation rate: 9.5% by FY2023, Implementation rate: 100.0% by FY2030 Installation of drinking water facilities at moorings in all domestic treatment plants (cattle and swine) ※3 by FY2023 Installation of environmental quality cameras at all farms and treatment plants※3 in Japan by 2024 	<ul style="list-style-type: none"> Elimination of gestation crates on all NH farms in Japan(pigs) Abolition rate: 9.5% Installation rate of drinking water facilities in lairage pens at all NH meat processing plants in Japan (Progress rate) Cattle: 100.0%, pigs: 88.8% Installation rate of cameras on all NH farms and meat processing plants in Japan to ensure environmental quality Cattle (processing plants): 100.0%, pigs (processing plants/farms): 100.0%, chickens: 20.0%
Expand sales of plant-derived protein products	FY2030 shipment amount: ¥10 billion	<ul style="list-style-type: none"> Shipment amount: ¥660 million (291.0% that of the previous year) > Click here to see the NatuMeat brand website, our main plant-derived product series. (Japanese website)
Promote acquisition of third-party certification. (FSSC22000, SQF, BRC, JFS, etc.)	-	Number of third-party certifications acquired: 130 > Click here to see details of the certifications acquired (Japanese website)
Develop human resources through specialized technical certification and other training	FY2030 cumulative results <ul style="list-style-type: none"> Number of employees who have completed e-learning: 67,000 Number of employees who have completed basic technical training: 2,400 Number of employees who have newly passed as certified experts: 90 Food labeling examination (intermediate): 760 Food labeling examination (advanced): 90 	FY2022 cumulative results <ul style="list-style-type: none"> Number of employees who have completed e-learning: 43,801 Number of employees who have completed basic technical training: 1,861 Number of employees who have newly passed as certified experts: 64 Food labeling examination (intermediate): 618 Food labeling examination (advanced): 55

※1 Suppliers with large transaction volumes in Japan and overseas, and suppliers who deliver non-substitutable raw materials, packaging/materials, livestock, feed, etc.

※2 Self-Assessment Questionnaire

※3 Companies in which the Group holds a majority of the capital are eligible

Food diversification and health



Measure	Indicators	FY2022 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: ¥1.16 billion (107.4% that of the previous year) > Click here for the Table for All website, a comprehensive platform for food allergy care URL (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"> Provision of IMIDEA materials and products: 1.68 million meals
Develop products that contribute to health	-	<ul style="list-style-type: none"> Shipment amount: ¥9.54 billion (105.0% that of the previous year) Number of health key products: 115 items (109.0% that of the previous year)

Contributing to a sustainable environment



Measure	Indicators	FY2022 Results
Reduce CO2 emissions from fossil fuels	Reduce by at least 46% in Japan by FY2030 (compared to FY2013)	•Reduction rate: 18.7%
	Reduce by at least 24% overseas by FY2030 (compared to FY2021)	•Reduction rate: 2.0% *Initiatives began in 2022
Reduce water consumption	Reduce by 5% in Japan by FY2030 (compared to FY2019)	•1.3% increase
	Reduce by 5% overseas by FY2030 (compared to FY2021)	•3.7% increase
Reduce waste emissions	Reduce by 5% by FY2030 (basic unit per production quantity compared to FY2019)	•Reduction rate: 7.2%
Improve the waste recycling rate	Achieve a waste recycling rate of at least 92% by FY2030	•Recycling rate: 91.9%
Switch to certified palm oil	Use 100% RSPO-certified palm oil by FY2030 (including book & claim)	•0% Reduce use of non-certified palm oil carried out activities.

※1 Product manufacturing plants and meat processing plants at the Group's domestic and overseas locations are covered.

※2 The Company's domestic sites include product manufacturing plants and meat processing and finishing plants.

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



Measure	Indicators	FY2022 Results
Promote activities for co-creation with local communities through sports (Hokkaido Ballpark F Village, sports/food education classes, etc.) > Click here for the Hokkaido Ballpark F Village website (Japanese website)	-	Number of events: 36 Number of in-house participants: 7,797 Activity cost: ¥519,347,000
Promote community contribution activities, including cultural activities (cooperation and clean-up activities for local events, etc.)	-	Number of events: 1,508 Number of in-house participants: 16,411 Activity cost: ¥36,494,000
Promote social welfare activities through food (supplying food to food banks and "Kodomo Shokudo," etc.)	-	Number of events: 249 Number of in-house participants: 2,507 Activity cost: ¥5,866,000
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: 191 Number of in-house participants: 3,654 Activity cost: ¥42,111,000

Employee development and respect for diversity



Measure	Indicators	FY2022 Results
•Promote active participation by women	•Percentage of female managers 20% or more by 2030 ※1	•Percentage of female managers: 9.8%
•Promote employment of people with disabilities	•Employment rate of people with disabilities 2.3% or more by 2030 ※1,2	• Employment rate of people with disabilities: 2.6%
•Reduce total working hours	•Total working hours 1,870 by 2030 ※1 •Overtime hours 200 by 2030 ※1	•Total working hours: 1,970 •Overtime hours: 226
•Mental and physical health	•Health checkup reexamination rate 100% by 2030 ※1 •Smoking rate 12% by 2030 ※1 •Stress check acceptance rate 100% by 2030 ※1	• Health checkup reexamination rate:81.0% •Smoking rate: 23.6% •Stress check acceptance rate: 97.9%

※1 Subject: Nippon Ham Co.

※2 Targets will be changed as needed in accordance with changes in the law.