

Materiality Progress Report (FY2023)

NH Foods Ltd.

June, 2024

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Stable procurement and supply of proteins

Measure	Indicators	FY2023 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 51 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: 100.0% 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: 94.0%
Expand sales of plant-derived protein products	FY2030 shipment amount: ¥10 billion	<ul style="list-style-type: none"> Shipment amount: ¥2.04 billion (309.0% 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.)	-	<ul style="list-style-type: none"> Number of third-party certifications acquired: 119 > 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 	FY2023 cumulative results <ul style="list-style-type: none"> Number of employees who have completed e-learning: 45,997 Number of employees who have completed basic technical training: 1,968 Number of employees who have newly passed as certified experts: 64 Food labeling examination (intermediate): 655 Food labeling examination (advanced): 56

※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	FY2023 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: ¥1.4 billion (110.2% 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 equivalent to 3 million servings per year by FY2026	<ul style="list-style-type: none"> Provision of IMIDEA materials and products: equivalent to 1.94 million servings
Develop products that contribute to health	-	<ul style="list-style-type: none"> Shipment amount: ¥10.6 billion (104.0% that of the previous year) Number of health key products: 97 items (negative 18 that of the previous year)

Contributing to a sustainable environment



Measure	Indicators	FY2023 Results
Reduce CO2 emissions from fossil fuels	Reduce by at least 46% in Japan by FY2030 (compared to FY2013)	•Reduction rate: 21.3%
	Reduce by at least 24% overseas by FY2030 (compared to FY2021)	•Reduction rate: 8.4%
Reduce water consumption	Reduce by 5% in Japan by FY2030 (compared to FY2019)	•Reduction rate: 0.7%
	Reduce by 5% overseas by FY2030 (compared to FY2021)	•Reduction rate: 2.4%
Reduce waste emissions	Reduce by 5% by FY2030 (basic unit per production quantity compared to FY2019)	•Reduction rate: 9.5%
Improve the waste recycling rate	Achieve a waste recycling rate of at least 92% by FY2030	•Recycling rate: 92.2%
Switch to certified palm oil	Use 100% RSPO-certified palm oil by FY2030 (including book & claim)	•0%

※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	FY2023 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: 72 Number of in-house participants: 500 Activity cost: ¥100 million
Promote community contribution activities, including cultural activities (cooperation and clean-up activities for local events, etc.)	-	Number of events: 324 Number of in-house participants: 6,400 Activity cost: ¥10 million
Promote social welfare activities through food (supplying food to food banks and "Kodomo Shokudo," etc.)	-	Number of events: 199 Number of in-house participants: 800 Activity cost: ¥10 million
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: 137 Number of in-house participants: 2,400 Activity cost: ¥84 million

Employee development and respect for diversity



Measure	Indicators	FY2023 Results
•Support for job satisfaction	•More than 80% favorable response rate to employee surveys by FY2030 ※1	•Favorable response rate: 66.7%
•Cultivating an organizational culture that encourages taking on challenges	•More than 80% favorable response rate to employee surveys by FY2030 ※1	•Favorable response rate: 66.5%
•Promote active participation of diverse human resources	•Achieve a mid-career hiring ratio of 15% or more by FY2030 ※1	•Mid-career hiring ratio: 8.9%
•Promote active participation by women	•Percentage of female managers 20% or more by FY2030 ※1 •Ratio of women in supervisory positions or above to 35% or more by FY2030 ※1	•Percentage of female managers: 10.7% •Ratio of women in supervisory positions or above: 24.1%
•Promote employment of people with disabilities	•Employment rate of people with disabilities 2.3% or more by FY2030 ※1,2	•Employment rate of people with disabilities: 2.6%
•Reduce total working hours	•Total working hours 1,870 by FY2030 ※1 •Overtime hours 200 by FY2030 ※1	•Total working hours: 1,968 •Overtime hours: 225
•Mental and physical health	•Health checkup reexamination rate 100% by FY2030 ※1 •Smoking rate 12% by FY2030 ※1 •Stress check acceptance rate 100% by FY2030 ※1	•Health checkup reexamination rate: 83.5% •Smoking rate: 25.6% •Stress check acceptance rate: 97.8%

※1 Subject: Nippon Ham Co.

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