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Human Resource Development

Basic Approach

We will focus on developing human resources who can realize the slogan "For Ever Brighter Smiles."

Morinaga Milk was founded over a century ago. Throughout its history, Morinaga Milk has fostered a positive corporate culture centering on a commitment to quality. Over the next 100 years, Morinaga Milk will continue to build a corporate culture in which employees can take steps toward the future and continue to grow for the smiles of customers and colleagues, while also valuing the achievements of the past.

To instill a corporate culture of embracing growth and challenge, it is essential for each and every employee to enhance their own skills. Toward this end, the company needs self-motivated employees who can define their own goals and take action to achieve outcomes.

As a company that aims for sustainable growth, it is crucial for each and every employee to be willing to better themselves, while the company needs to recognize its responsibility of developing human resources who can carry the torch of the company's future. As such, the culture of developing human resources will be instilled at various workplaces using continuous training. This is Morinaga Milk's vision for human resource development.

Approach to Human Resource Development

- Develop human resources who can recognize their roles and responsibilities while embracing the challenges of reform and innovation based on the corporate slogan and guiding principles.
- Strategically develop human resources who will bear core responsibilities in the future.
- Develop human resources who will contribute to the organization by respecting diversity and working collaboratively with others.
- Employees are to take the initiative and play an independent role in their own self growth while the company provides opportunities to foster such growth.
- Improve the leadership and training skills of senior employees who are responsible for developing human resources.

System

Morinaga Milk Sustainability Committee meetings, which are chaired by the president, are held twice a year for monitoring and reporting on the progress of KPIs. In addition, Morinaga Milk implements PDCA cycles, with the general managers of the relevant divisions responsible for "Priority Issue: Human Resource Development" and the general managers of the relevant departments responsible for promoting KPIs. Moreover, the Human Resource Department acts as the main department in charge of human resource development, while working collaboratively with the Manufacturing Division and Sales & Marketing Division.

Human Resource Development System

At Morinaga Milk, human resource development is implemented centering around the model of on-the-job training (OJT) where employees acquire specialized knowledge and skills through practical work and improve their abilities to execute job functions while gaining experiences. Through this, employees grow their experience and receive feedback from their superiors and senior colleagues thereby refining their skills and techniques.

Moreover, it is also important to learn outside of practical work in order to achieve growth. Therefore, Morinaga Milk provides a number of learning opportunities from off-the-job (Off-JT) programs including rank-based training and diversity support programs, to correspondence education, e-learning, and business schools under self-development support programs for employees who are taking the initiative to improve themselves.

Through the combination of the three programs: OJT, off-the-job (Off-JT) programs, and self-development support programs, it is the aim to develop a corporate culture that inspires individuals to seek self-improvement and embrace reform and innovation.

The specific initiatives under off-the-job (Off-JT) programs and self-development support programs are revised each year as the annual human resource development plan, with each development program being proposed and implemented.

Moreover, each department is in charge of their own training to enhance specialization among their staff. For example, the Manufacturing Division is taking the lead in hosting Morinaga Milk College with the goal of passing down manufacturing technologies, while the Sales & Marketing Division is taking charge of Morinaga Sales University in conducting training to improve sales skills.

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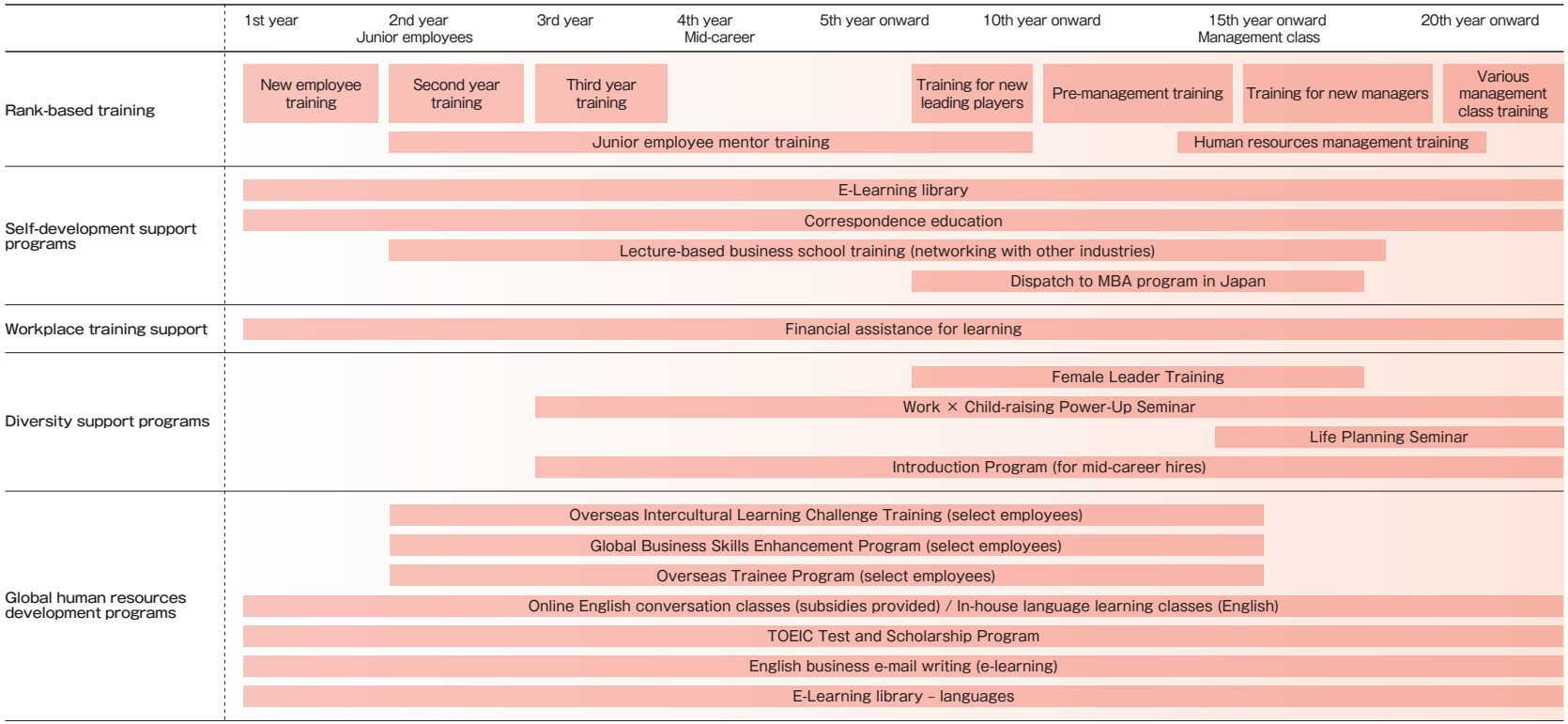
Human Resource Development System



KPIs

Direction of Activities	KPIs	Progress Details for KPIs
Promote the Corporate Slogan	Hold annual forum open to all employees	Number of participants in FY 2020: 166 (▶p. 84)
Encourage the independent growth of each individual employee by pursuing diversity and inclusion	Provide ongoing training for female leaders, training to encourage balance between work and childcare, and pre-management training; HR department will carry out interviews of young employees	Scheduled training implemented as planned (▶p. 85) Carried out interviews with all employees within their first three years with the Group (▶p. 85)
Develop employees who can perform in a global business environment	Implement programs for training global human resources	Total of 148 participants 52 participants in FY 2020 (▶p. 86)
Develop human resources via health management	Improve uptake rate of follow-up exams and re-assessments for those who test results are of serious concern: 80% (2023) Rate of attending mental health education: 100% (2023)	Rate of attending mental health education: 94.3% (▶p. 88)

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System for Developing Human Resources to Support Business

Disseminate the Corporate Slogan

In 2017, Morinaga Milk celebrated its centennial and established a new corporate slogan structure and slogan for the Morinaga Milk Group for the next 100 years.

In order to institute these ideas as fundamentals guiding all of our actions, it is important for employees to understand and integrate the corporate slogan into their daily duties. Therefore, various programs to promote the corporate slogan are being implemented.

Energy Survey

The Energy Survey is designed to understand the main factors that influence willingness to work and organizational culture revitalization. This can contribute to developing more effective improvement activities and human resources policies to address issues revealed in order to achieve a corporate culture where employees work with enthusiasm and energy.

The survey is conducted once a year targeting everyone involved with Morinaga Milk, including full-time employees, seconded workers, temporary workers, and employees of affiliated companies. The survey results of the entire company as well as by division are shared via feedback with the directors in charge, as well as head of each business site and organization. The results serve as important data for understanding the condition of the organization, and they are shared among these directors and managers, after which action plans for improving the workplace are discussed.

Morinaga Milk Awards

Morinaga Milk Group continues to challenge itself.

The Group expanded its in-house award system in FY 2018 by establishing the Morinaga Milk Awards, which are linked to some of our Guiding Principles, such as taking on challenges and working with vibrancy. Consisting of several awards, the Morinaga Milk Awards are given not only for achievements but also for actions and processes. The grand prize is decided through employee voting and broadcast online, serving as a device for company-wide sharing of experiences, wisdom and other benefits gained through various efforts. By giving praise from the entire Group to individuals, teams, organizations who have implemented the corporate philosophy, the Morinaga Milk Awards help promote self-determined action to further realize that philosophy.

Co-Creation of Aspirations Forums

The Co-Creation of Aspirations forum is held once a year in order to foster a sense of unison through understanding the corporate philosophy and guiding principles. In turn, this promotes the Morinaga Milk Group's management as a whole following one philosophy.

Each year, the forum is held under a different theme. In FY 2016, it was conducted as a workshop to establish the corporate philosophy itself, under the theme of "Creating a New Corporate Philosophy and Guiding Principles." In FY 2017, the theme was "Practical Application of Guiding Principles in Business Duties to Realize the Philosophy," while in FY 2018, the theme was "Discussion on Challenges and Improvement Activities by Organization in Promoting Corporate Philosophy and Guiding Principles." In FY 2019, the theme was "Deeper Exploration of the Important Issues Assessed in the Previous Fiscal Year and Drafting Practical Measures to Deal with Them." In 2020, the forum was held online in order to prevent the spread of COVID-19.

Feedback from those in attendance received included, "I was able to see the effect on team building by practicing the guiding principles. I felt a sense of mutual respect with a deepened understanding for one another. This made me want to try it at my own workplace," as well as "Prior to my attendance, I had wanted to make the workplace better but felt it was difficult to achieve on my own, but after this forum I figured it may be possible to make changes if I could gather more people who think alike."

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Manager Workshops and Workplace Seminars

Morinaga Milk holds manager workshops and workplace seminars in order to develop human resources who can lead team members while fulfilling the vision for workplaces under the corporate philosophy and to empower each workplace to solve problems independently. At manager workshops, every year more than 50 managers participate, discussing matters about the development of team members. At workplace seminars, managers and members together discuss how to implement the corporate slogan in the workplace.

Participant comments included, "I was able to broaden my horizon by thinking about the issues faced by other workplaces, which served as a hint in finding solutions to issues at my own workplace" and "Participants ranged from newer managers to highly experienced ones. This served as an opportunity to experience other viewpoints and approaches."

Independent Growth of Each Individual Employee

Human Resource Management System

Morinaga Milk considers its people to be an important asset and is now developing a workplace environment where each and every person can fully contribute their competencies.

In 2007, Morinaga Milk launched a new human resources management system targeting all employees. The goal of this system is to increase employee motivation and enhance their skills by elevating employees' independence, their understanding of personnel evaluations, and the fairness of these evaluations.

Diversity and Inclusion Support Programs

As part of pursuing diversity and inclusion, Morinaga Milk offers a variety of training programs and seminars to support employees' diverse workstyles.

The Female Leader Training is held once annually. It involves female employees building their own unique management style during the course of their career unbound to the status quo while planning for various life events.

The Work × Child-raising Power-Up Seminar is held once annually. It involves learning a highly motivating unique workstyle tailored to one's job so that employees can produce meaningful results in both quantity and quality despite a limited amount of time. Close to 90 employees have taken part since 2016.

Number of Participants in Female Leader Training

	2016	2017	2018	2019	2020
No. of participants	18	29	24	23	17

Morinaga Milk College

Morinaga Milk College is an internal educational institution in the Manufacturing Department tasked with transferring technology and skills and maintaining and improving quality technology, and it offers a variety of employee education. The college offers a Follow-up course, a Hop-up course, and a Level-up course aimed at the acquisition of basic knowledge of safety measures and milk technologies for engineering-related employees from their first to their third year at Morinaga Milk.

Later on, the college provides the selective Step-up course (product category specific training), the Jump-up course (training for workplace leaders), and Meister training (improving technical and skill levels) to aid the training of young engineers.

In terms of practical training courses, the college offers various kinds of specialist training for core technologies.

Measurement management practical training, for example, teaches the technical basics of accurately measuring the volume of raw materials and products, while the Microorganism expert course is aimed at improving techniques and skills for microbial testing. Such courses help to cultivate various specialists who will play an important role in maintaining and enhancing quality.

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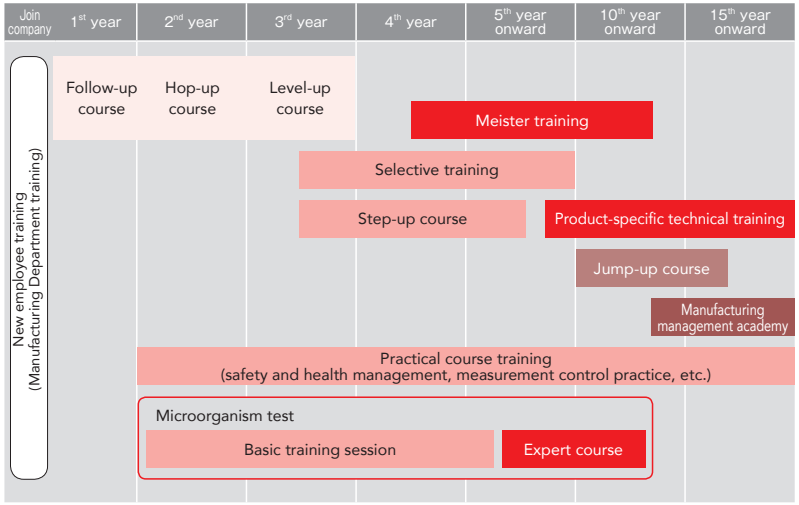
Diagram of Training System (Production)



Number of Trainees

Name and Objective of Training	2016	2017	2018	2019	2020
Follow-up course Acquisition of basic technologies and skills (established in 2018)	-	-	165	151	206
Hop-up course Acquisition of basic technologies and skills and strengthening work execution capabilities (includes 3rd year employees up until 2017)	53	111	103	155	166
Level-up course Acquisition of basic technologies and skills and strengthening work execution capabilities (established in 2018)	-	-	93	96	159
Step-up course Developing human resources able to establish conditions for preventing product-category specific issues (made a selective training course from 2018)	98	111	56	27	9
Jump-up course Encouraging awareness of expected roles to develop workplace leaders	33	33	32	16	-
Total	184	255	449	445	540

Annual training hours and cost per employee (Morinaga Milk only)

Global Human Resource Development

Morinaga Milk is focusing on developing and growing its overseas business with the aim of becoming a "global company that is a unique presence." Toward this end, in addition to committing management resources, Morinaga Milk is developing human resources not only proficient in English, but also with the ability to build personal relationships with people of differing backgrounds and values, convey one's needs accurately, and build consensus with others during the course of business.

Participants in Global Human Resources Development Programs (Total Number)

	2016	2017	2018	2019	2020
No. of participants	32	20	24	20	52

Overseas Intercultural Learning Challenge Training

Since 2017, we have been conducting a week-long training program at overseas business locations with the aim of promoting understanding how worthwhile working outside Japan can be and heightening motivation for overseas businesses. By communicating in English, experiencing other cultures, and listening to what overseas subsidiaries have to say, employees have the opportunity to feel their own potential and the company's potential in the global market.

	2017	2018	2019
No. of participants	20	16	12

In FY 2020, the program contact was adjusted for an online format in order to prevent the spread of COVID-19. With the aim of developing human resources who are capable of realizing results in every kind of business market around the world, we are providing employees with opportunities to develop communication skills that transcend cultural differences and polish skills for writing business e-mails in English. In FY 2020, 36 people participated.

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Global Business Skills Enhancement Program

As a skill to complement a global mindset focused on intercultural understanding, the program commenced in 2017 with the aim of empowering employees so that they can convey what they want to say in English both logically and assertively, in order to enhance their global business skills* needed for business communication in English. This four- to five-month program involves employees carrying out business simulations at the start and end of the program to measure skills in assertiveness, negotiations, and presentations, assigning a score and receiving feedback. During the course of the program, participants enhance their skills through group lessons in addition to input training for learning the techniques behind global business success.

* Morinaga Milk's definition of global business skills
The ability to build personal relationships with people of differing backgrounds and values, convey one's needs accurately, and build consensus with others during the course of business.

Number of Program Participants

	2017	2018	2019	2020
No. of participants	8	8	8	16

Overseas Trainee Program

This program provides junior employees with experience living and working overseas to prepare them for future overseas assignments. Through such experiences at an early stage in their career, these employees are better prepared and equipped to contribute their competencies during a shorter duration stay when posted overseas as an expatriate employee in the future. The program lasts less than two years, during which time participants learn how to involve those around them in producing business success.

Implementing Health Management

In order to realize the corporate philosophy "Contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology," Morinaga Milk issued the "Morinaga Milk Health Declaration" with an added commitment to employees' health.

Based on this declaration, Morinaga Milk is implementing the Morinaga Milk Health Management Program, which involves the promotion of health and awareness activities to further improve employees' health including prevention, treatment and relapse prevention from the standpoint of both physical and mental healthcare.

Moreover, the Basic Policy on Health and Safety that ensures a safe work environment for all job duties to be carried out safely, which forms the basis of health, has been developed, published and promoted.

REPORT
▶ Please see the "Health Declaration" section (p. 99) and "Basic Policy on Health and Safety" section (p. 60) for details.
▶ Please see the "Promotion of Occupational Health and Safety in Production Departments" section (p. 60) for details.

Physical Care

The Morinaga Milk Health Insurance Association subsidizes medical expenses for complete health exams for employees aged 30 or older. A free mail-based screening for cervical cancer for female employees in their twenties or older is also in place since the disease can affect young women as well. From the perspective of cancer prevention, Morinaga Milk provides subsidies for complete health checkups for employees aged 50 and above and subsidies for gynecological cancer screening. In 2020, an oncologist was invited for an in-house lecture, "Thinking about Women's Cancer." We will continue with similar efforts into the future.

For health checkup results, linking data from the health insurance association and health checkup results with Morinaga Milk industrial health units (industrial physicians, public health nurses, nurses) and persons in charge of health management at each business site allows enhanced management of high-risk persons, advocating for follow-up exams, and providing health guidance. Moreover, given the effects of oral health on overall health, we are also focusing on expanding our program of free dental checkups. Additionally, we are implementing an initiative to improve lifestyle habits using Morinaga Milk's own

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supplement products for employees who are receiving specified health guidance.

With regard to the family members of our employees, our health insurance association promotes healthy lifestyle habits by implementing a program to earn points when an employee or a dependent sets a health goal and achieves it. This program has many participants each year. Morinaga Milk also has an assistance program for home delivery of our own products, with the aim of providing support for eating habits with excellent nutritional balance.

As a measure against COVID-19, in 2020 we enhanced the work environment with ventilation equipment, air purifiers, plexiglass separation panels, and alcohol sanitizers. We also distribute our supplement products to Group employees and hold web lectures with industrial physicians to convey correct information. These and other efforts aim to address the pandemic from various angles.

With regards to smoking, indoor spaces are in principle non-smoking, and we subsidize part of the cost of smoking cessation program for employees who wish to stop smoking.

Additionally, an in-house health seminar was held with the aim of improving employee health, with about 1,700 people attending.

REPORT ▶Please see the "Health and Nutrition" section (p. 27) for details.

Mental Healthcare

Mental health training is conducted by external EAP* institutions and psychiatric industrial physicians at each business site. E-learning and online training for management-level employees is also conducted.

Following stress checks, we carry out an organizational diagnosis for all business sites with individual follow-ups conducted by counselors as necessary. The company has also established a free mental care hotline that maintains employee confidentiality and is easy to use anytime an employee needs it. Since many employees teleworked in FY 2020 to prevent the spread of COVID-19, we conducted online self-care training in order to reduce stress and anxiety so that staff could work with peace of mind.

* EAP Employee Assistance Program for mental healthcare

REPORT ▶Please see the "Measures for and Effects of COVID-19" section (p. 11) for other employee initiatives.

Policy to Support System to Balance Ongoing Medical Treatment and Work

In order to help employees reconcile work with their medical treatment, Morinaga Milk has implemented the time-difference work system, short-time work system (working hours reduced by a maximum of 2 hours), and reduced working days system (4 days a week), so that employees requiring long-term medical treatment will feel confident to remain in their jobs.

Also, the following programs have been implemented in support of employees returning to work from leave.

- In collaboration with an external organization, provide support for stability when an employee returns to work following a period away for mental care reasons
- Establish a standardized system of "Return Support Program" which includes reduced ease-in working hours
- Implement regular interviews with industrial physicians (generally for 6 months) upon return to work

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Corporate Governance

Information about corporate governance is disclosed in our Corporate Governance Report and Integrated Report.

WEB

Corporate Governance Report
▶https://www.morinagamilk.co.jp/english/ir/management/governance.html
Integrated Report
▶https://www.morinagamilk.co.jp/english/ir/library/annual.html

Basic Approach

We will continue to work on establishing and augmenting a highly effective governance system to sustainable growth and improve corporate value.

KPIs

Direction of Activities	KPIs	Progress Details for KPIs
Transparent, equitable, prompt, and bold decision-making based on diverse values in Board of Directors' meetings	Evaluation scores and comments in evaluation of the Board of Directors (diversity of the Board of Directors and substance of discussions)	The effectiveness of the Board of Directors was confirmed based on the results of the evaluation. The evaluation results were used to identify issues requiring improvement as the basis for further enhancement of the effectiveness of the Board of Directors. Proportion of independent external directors: 1/3 (six internal directors, three external, including one female external director).
Strengthen the management system	Augment regular committees (Personnel Remuneration Committee, Internal Control Committee, Sustainability Committee)	Personnel Remuneration Committee: Reports to the Board of Directors regarding consideration of results for the establishment of executive compensation rules, etc. (All members attended all seven of the committee meetings in FY 2020. Members are the President and Representative Director, the Executive Vice President and Representative Director, and the three External Directors. Since the External Directors represent the majority of the committee, they can take a majority vote.) Changes to remuneration structure for officers: Ratio of fixed to performance-based remuneration changed from 2:1 to 1:1, ROE added as an evaluation indicator for performance-based remuneration. Internal Control Committee: Formulates the Anti-corruption Policy for works to prevent corruption. Sustainability Committee: The sustainability subcommittee (focusing on TCFD) was newly established to accelerate the adoption of ESG-focused management.

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Compliance

Basic Approach

Pursuant to the Code of Conduct, directors and employees thoroughly perform their duties toward the realization of the corporate slogan under the premise that the corporate activities comply with the law, the Articles of Incorporation, company regulations, and social ethics.

REPORT ▶Please see the "Compliance Code of Conduct" section (p. 99) and "Anti-corruption Policy" section (p. 100) for details.

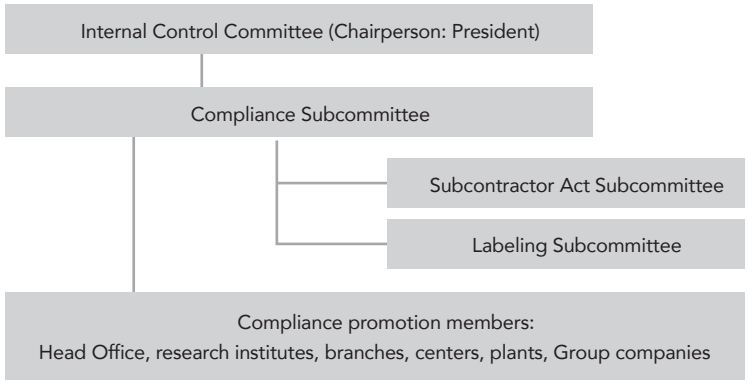
System

The Morinaga Milk Group has established the Internal Control Committee chaired by the president, along with four subcommittees under its control: the Compliance Subcommittee, the Risk Management Subcommittee, the Financial Reporting Subcommittee, and the Information Security Subcommittee. This system is responsible for internal control of the entire Group and strives to develop the structure underpinning audits.

The promotion of compliance is carried out mainly by the Compliance Subcommittee, which also determines compliance action policy and directs and verifies activities.

Additionally, we confirm conformity to the Compliance Code of Conduct by conducting an annual compliance awareness survey, reviewing progress in terms of compliance using the survey as a reference.

Compliance Promotion System



Instilling Compliance Awareness

The Morinaga Milk Group provides rank-based training, organization-based training that includes Group companies, and e-learning in order to instill and consolidate awareness of compliance.

Compliance Training

Apart from understanding compliance, compliance training covers a variety of topics including the corporate slogan, awareness and actions, etiquette and moral violations, the whistleblower reporting system, harassment, violations of transportation regulations, information leakages, overwork, response to anti-social forces, mental health, labeling issues, and violations of the subcontractor act, among others. From FY 2019, we also began including training regarding our Human Rights Policy and also conduct Human Rights Policy awareness activities within the company.

Targets: Business site-specific training, Group company-specific training: Relevant persons within an organization (all workers in the same organization, including employees, temporary employees, part-time workers, and employees of partner companies, etc.)

Status of Compliance Training (Morinaga Milk Group)

	2016	2017	2018	2019	2020
Number of participants	3,985	4,984	5,151	4,777	7,801

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E-Learning

Targets and Training Content

Morinaga Milk Group employees	Short e-learning compliance class
New leading players	Basic course on corporate ethics and compliance
New managers	Basic series on labor management
Directors and managers of Group companies	Basic course on corporate ethics and compliance, course on sexual harassment prevention, course on power harassment prevention, basic course on workplace mental healthcare for managers, basic approach to labor management, labor management and workplace building

Implementation of E-Learning for All Group Employees (FY 2020)

	May	August	November	February
Number of participants	6,884	6,947	7,021	6,972
Completion rate (%)	97.3	97.5	97.1	96.8

Compliance Consultation System: Morinaga Milk Helpline (Whistleblower Reporting System)

The Morinaga Milk Group established the Morinaga Milk Helpline as a contact point for employees to report compliance issues. The Morinaga Milk Helpline is located inside the company and outside the company with lawyers as the recipients of information.

The name of the person, their affiliation and nature of their consultation are protected in accordance with laws, regulations, and in-house rules, which makes it possible for any officer, employee or the like, persons who have left the Group, or the families, etc. of any such persons to report an issue without worry of reprisal. The Morinaga Milk Help Line Secretariat conducts the necessary investigations for consulted or reported cases, with due consideration given to the human rights and privacy of the consulting person as well as the related parties. When a situation is found to be inappropriate, the applicable department and persons involved are notified and instructed to make improvements, etc. Afterward, the applicable department and the person who originally consulted are asked to confirm improvements, and a report is made to the Compliance Subcommittee, the Internal Control System Committee, etc. so the matter can be used to improve compliance measures. For consultations or questions about the reporting person's duties, the matter will be directed to legal counsel as needed to obtain advice on how to deal with the issue.

For employees of overseas consolidated bases, since 2019 we have operated a reporting website that supports English and German submissions and responses. The cumulative number of reports is currently zero.

In addition, the Compliance Subcommittee receives quarterly reports on the status of the help line and makes necessary improvements to the internal structure.

Consultations Received by the Morinaga Milk Helpline

	2016	2017	2018	2019	2020
Total number of consultations	53	46	44	41	47

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Information Security

Basic Approach

The Morinaga Milk Group's basic approach aims to improve performance by maintaining and managing the confidentiality, integrity, and availability of all its information assets and to make proactive use of such assets. This approach is made known to all officers and employees.

In addition, to respond to changes in the external environment and to make the information security management more reliable, the Group decides and reviews the relevant rules as appropriate.

System

The Morinaga Milk Group has established the Internal Control Committee chaired by the president, along with the Information Security Subcommittee under it. The subcommittee meets once per month to identify issues concerning the Group's information security as well as to plan and implement responses and spearhead audits. The Information Security Subcommittee also plans and implements reliable information security countermeasures.

For departments and Group companies, the head of each organization is responsible for information security.

We also established a Technical Information Subcommittee in 2019 to strengthen our management system for confidential information.

Information Security Organization

Information Security Countermeasures

Occurrence of a Serious Information Security Incident

In April 2018, the servers of the Morinaga Milk Group's e-commerce site were illegally accessed by an external party, and the leak of credit card information and other personal information of customers was confirmed. An investigation by a third-party organization was requested and countermeasures were implemented. The Morinaga Milk Group sincerely apologizes for the inconvenience caused to many customers.

WEB Apology concerning the leakage of customer information from the health foods e-commerce site and notification of investigation results
▶ https://www.morinagamilk.co.jp/release/newsentry-2899.html (Japanese only)

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Handling Incidents such as Information Leakages

When an incident such as an information leakage has been confirmed, prompt action will be taken in accordance with the handling standards for emergency problems.

When a situation has occurred, a countermeasures headquarters chaired by the president will be established to promptly disseminate information to all board members and related departments, and work to solve the emergency.

Also, if an investigation confirms violations of laws and regulations by subcontractors, employees, etc., the response will be sanction of dismissal, criminal charges, pursuit of civil liability, or the like.

Initiatives for Information Security Countermeasures

Morinaga Milk gives priority to illegal access countermeasures when a serious incident occurs.

In addition to technical and physical measures, Morinaga Milk also takes ongoing system measures, such as reviewing security standards (rules) and further strengthening against vulnerabilities, etc.

Moreover, as a countermeasure against increasingly sophisticated cyberattacks, Morinaga Milk provides targeted e-mail attack training for all employees and implements virus countermeasures for information equipment.

Training on Information Security Management

Morinaga Milk Group is working to strengthen the awareness of information security among all employees through targeted e-mail attack training, e-learning and compliance training. About 5,500 employees throughout the Group have completed such training through e-learning.

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Policies, Philosophy and Principles

Morinaga Milk Group Breast-Milk Substitutes (BMS) Marketing Policy

In the marketing of infant formula and follow-up formula (hereinafter collectively referred to as "Products") handled by the Morinaga Milk Group, we respect the WHO International Code of Marketing of Breast-milk Substitutes (BMS) (hereinafter "WHO Code"), comply with applicable laws and regulations in the countries and regions where we conduct business, appropriately guide employees and distributors in accordance with this marketing policy (hereinafter "Policy"), and conduct activities in accordance with the Policy.

1. Basic Policy
   1) Recognizing that breastfeeding provides the best and optimal source of nutrition and plays an important role in the growth and development of infants, and that breastfeeding not only builds infants' immune systems but also fosters a strong bond between mothers and infants, we support the recommendation by the WHO that breastfeeding be performed for the first six months after birth, followed thereafter by the introduction of safe and appropriate complementary foods.
   2) Recognizing the importance of the WHO Code in providing safe and appropriate nutrition to infants, we strive for the protection and promotion of breastfeeding and engage in marketing activities grounded in appropriate information.
2. Applicable Scope of the Policy
   The Policy applies to all Group employees involved in the marketing and sales of the Products in all countries where our Group conducts business.
3. Guiding principles
   1) We support policies, rules, and standards set by governments and by expert health and nutrition agencies on the basis of objective and consistent information and science.
   2) We do not advertise or promote Products to the general public.
   3) We do not engage in advertising or sales promotion of Products for infants between 0 to 12 months of age in higher risk countries[*1].
   4) Where permitted by the laws of countries where we conduct business, we share our recognition of the Policy with third parties and engage in advertising and sales promotion activities in compliance with the laws and ordinances of the countries where we conduct business.
   5) When providing Product-related information to healthcare practitioners, we limit information to objective and scientific information, and do not include information that indicates or implies that bottle-feeding with the Products is superior to or equivalent to breastfeeding.
   6) In package labels for the Products, we provide all necessary information regarding the safe and proper use of the Products and take care not to discourage breastfeeding.
   7) We use clear and conspicuous descriptions in package labels for the Products, and, using expressions that are easy to read and easy to understand, extol the superiority of breastfeeding and include labels concerning proper methods of formula preparation, warnings regarding health hazards caused by inappropriate preparation etc. In addition, we do not use photographs of babies on containers or in the package labels for the Products, and do not use pictures or expressions that idealize the use of the Products.
   8) Recognizing that the quality of the Products is an indispensable factor in protecting the health of infants, we manufacture the Products in accordance with standards recognized in the countries and regions where we conduct business, following strict hygiene control and quality control procedures.
   9) When selling or otherwise distributing the Products, we comply with applicable quality and hygiene standards and local laws and ordinances.

*1 A list of higher risk countries is indicated in Appendix A on the following website.
https://research.ftserussell.com/products/downloads/F4G_BMS_Criteria.pdf

Est. March 2021

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Environmental Policy

Basic Philosophy

As a food company that aims to contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology, the Morinaga Milk Group contributes to social sustainability by protecting the environment and preventing environmental pollution.

Basic Policy

1. We set objectives for our activities for environmental protection and the prevention of environmental pollution throughout the total lifecycles of our activities, products, and services. By reviewing those goals on a regular basis, we continuously improve our environmental management system.
2. We properly manage compliance with environmental laws and regulations and our environmental commitments.
3. We assess and respond to not only the impact of our business activities to environment, but also the impact of the environment to our business activities.
4. We address the following priority environmental management issues:
   (1) We promote greenhouse gas emission control to prevent global warming.
   (2) We promote business operations based on resource efficiency and energy efficiency to make effective use of limited resources.
   (3) We promote the 3Rs (Reduce, Reuse, Recycle) and appropriate disposal of waste in order to form a sound material-cycle society.
   (4) We promote the development of new technologies related to the environment and incorporate environment-friendly technology in product development.
   (5) We disseminate accurate information on the environment and make efforts to improve our social credibility.
   (6) We strive for coexistence with society and communities.
5. This policy is disseminated to all employees and released to the public outside the company.

Est. October 1993
Rev. April 2019
Yohichi Ohnuki
President and Representative Director
Morinaga Milk Industry Co., Ltd.

Morinaga Milk Group Human Rights Policy

Basic Philosophy

The Morinaga Milk Group respects human rights and diversity as basic rights for people to live healthy and enjoyable lifestyles as we aim to realize our corporate philosophy "contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology."

Background

We have formulated this policy based on the Guiding Principles on Business and Human Rights of the United Nations and in respect to various international codes of conducts regarding human rights, such as Universal Declaration of Human Rights and United Nations Global Compact, to promote initiatives related to respecting human rights. This policy also expresses our dedication towards respecting human rights based on our corporate philosophy and guiding principles.

Scope

This policy applies to all executives and employees of the Group and also hopes that all of our business partners involved in our products and services to support this policy, and suppliers comply with this policy.

Basic Policy

1. We respect basic human rights, individuality, and diversity, and do not discriminate or engage in harassment based on race, gender, age, religion, language, nationality, sexual orientation, gender identity, and having disabilities or not. In the case abuse of human rights is found, we will take necessary measures including measure to prevent reoccurrence of such cases urgently and earnestly.
2. We do not engage in forced or child labor.
3. We create working environment where employees can feel safe and secure while working and also be healthy both mentally and physically.
4. We respect the employees' basic right of collective bargaining.
5. We comply with laws and regulations of Japan and countries and regions we engage business in.
6. We properly educate our executives and employees.
7. We respect each diverse way of thinking and their stances, and strive to create a corporate culture that enables everyone to exert their full potential and work enthusiastically.
8. We disseminate this policy to all employees and also release it to the public.

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Quality Policy of the Morinaga Milk Group

As a food company that produces and sells milk, dairy products, ice cream, beverages and other foodstuffs, the Morinaga Milk Group aims to contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology. We listen carefully to customer opinions, work tirelessly to ensure food safety and quality, and deliver safe, high-quality products and services.

1. We thoroughly control quality management in every process of product development, raw material procurement, production, distribution, and sales to ensure food safety and quality of our products.
   In doing so, we take all of the following steps.
   (1) In the planning and R&D phases, we design a product with a close focus on food safety and high quality.
   (2) In the phases of selecting equipment, technology, and raw materials, we consider potential risks and examine the impacts on food safety and quality.
   (3) We clarify the person responsible for quality control in every business section and take measures to ensure the food safety and quality of our products.
2. We contribute to society through our activities based on compliance with laws, regulations and standards.
3. We provide accurate, easy-to-understand information from the customers' viewpoint.
4. Each of us individually strives to refine our knowledge and skills and maintain and improve quality levels.

Est. September 2017

Est. November 2018
Yohichi Ohnuki
President and Representative Director
Morinaga Milk Industry Co., Ltd.

Procurement Policy

To deliver high-quality, delicious, safe, and reliable products to the customers, the Morinaga Milk Group procures materials in compliance with the laws and social standards while also considering human rights, environment, and other social responsibilities in cooperation with its business partners. We also engage in fair, just, and transparent relationship with all our business partners.

1. We comply with laws and social norms and strive for fair transactions focused on considerations for human rights, the environment, biodiversity, occupational health and safety, etc.
2. To improve the quality and value of the products the Morinaga Milk Group offers to the customers, we place emphasis on cooperative relationships with our business partners in the areas of raw material quality, safety, technological capability, price, and delivery date.
3. In conducting procurement activities, we provide fair, equitable and transparent opportunities to all of our business partners and implement transactions accordingly.
   "Procurement" in this policy covers not only the procurement of raw materials and packaging materials used for products, but also various transactions involved in the procurement of management resources such as facilities and equipment, and the various services to maintain and manage the same.

<To Our Business Partners>

1. We hope that our business partners understand the concepts of the Morinaga Milk Group Procurement Policy and support it as members of the supply chain.
2. Considering the importance of social responsibility, compliance, and corporate ethics, we hope our business partners also consider 1) compliance with laws and social standards, 2) environment, and 3) human rights and occupational health and safety.
3. We would like our business partners to promise the following in raw material procurement to improve the quality and value of Morinaga Milk Group's products.
   1) To comply with relevant laws and ensure that the raw materials comply with the Morinaga Milk Group Quality Policy.
   2) To continue improving technical capabilities and offer proposals based on them to enable our new products to meet the needs of the customers.
   3) To offer competitive prices and engage in continued rationalization.
   4) To build a stable and flexible supply system for raw materials to ensure

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that products can be delivered to the customers continuously and in timely manner.

5) To cooperate with each other in business continuity during unexpected disasters through exchanging and sharing information about the supply chain as well as engaging in risk management activities in time of peace.

Est. September 2017

Basic Policy on Customer Satisfaction

We value communication with customers in response to their comments, including complaints, requests, and inquiries, and strive to deliver "reliability" and "happiness." We think and act with the customer as our starting point, and aim to be a company that is trusted more.

Guiding Principles

1. We take the views of customers seriously and strive to respond equitably and fairly acting with integrity and speed.
2. We share the valuable opinions of customers internally to utilize these opinions for making products and services.
3. We strive to actively provide customers with appropriate and easy-to-understand information.
4. We respect the rights of customers and comply with relevant laws, regulations and norms for employee conduct.

Voluntary Declaration on Consumer Orientation

1. Philosophy
   (1) Corporate slogan
   "For Ever Brighter Smiles"
   (2) Corporate philosophy
   Contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology.

2. Guiding Principles
   (1) Our Eight Questions:
   1) Do we share our passion with our customers?
   2) Do we feel and express gratitude to all stakeholders?
   3) Do we have confidence in our quality?
   4) Do we always pursue safety and reliability?
   5) Do we continue to challenge ourselves?
   6) Do we contribute to building "Team Morinaga"?
   7) Do we engage in and enjoy what we do?
   8) Do we exchange our visions and progress toward them?

3. Initiative Policy
   (1) Management commitment
   We publish and share the following messages from management on our website and in the Sustainability Report and the Integrated Report.
   1) We will continue to provide products that meet customer needs and offer products and services of value that provide customers with satisfaction and empathy.
   2) In accordance with ISO 10002, we have established our "Basic Policy on Customer Satisfaction" (*1) and "Guiding Principles" (*2) and will actively work to continuously improve customer service.

   (*1)
   We value communication with customers in response to their comments, including complaints, requests, and inquiries, and strive to deliver "reliability" and "happiness." We think and act with the customer as our starting point, and aim to be a company that is trusted more.

   (*2)
   1. We take the views of customers seriously and strive to respond equitably and fairly acting with integrity and speed.
   2. We share the valuable opinions of customers internally to utilize these opinions for making products and services.

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3. We strive to actively provide customers with appropriate and easy-to-understand information.
4. We respect the rights of customers and comply with relevant laws, regulations and norms for employee conduct.

(2) Ensuring corporate governance
1) We will create mechanisms to collect the content of customer inquiries every day and report them to management.
2) We will establish opportunities for management to confirm and discuss customer service status and issues.

(3) Positive action by employees (fostering corporate culture and employee awareness)
1) We will provide training to ensure that all employees think and act with the customer as the starting point and continue to work on activities with an even stronger customer starting point.
2) We will encourage the acquisition of specialist qualifications related to consumer affairs, such as consumer advisor.

(4) Seamless collaboration of relevant internal departments
1) We will build a system for the acquisition of customer opinions and promptly share them companywide.
2) We will analyze customer opinions and share them more deeply internally through opportunities such as liaison meetings.
3) We will build mechanisms for promptly contacting the management team and relevant departments when product accidents occur or signs that predict such occurrence are found. We will also create internal emergency troubleshooting standards and follow them when solving problems.

(5) Enhancing provision of information to consumers and bilateral exchange of information
1) We will post information related to safety, reliability and the environment on our website to assist choices and use by customers.
2) We will provide customers with product information through various means including easy-to-understand labeling on packaging and on our website so that our products can be used in a safe and reliable manner.

(6) Improvement and development based on consumer and social demands
1) We will regularly update the case studies on our website about utilization of customer opinions and requests in the improvement of products and services.
2) Specifically, we will innovate to make product container materials, shape, and labeling easy to open, easy to carry, and easy to see.
3) We will develop products to meet the increasing need for health and nutrition for infants through to the elderly.
4) We will strive to develop and improve containers and packaging with a focus on consideration for the 3Rs (reduce, reuse, recycle), safety, and ease of use from the product planning and development stage.

January 2017
Yohichi Ohnuki
President and Representative Director
Morinaga Milk Industry Co., Ltd.

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Morinaga Milk Health Declaration

The Morinaga Milk Group's corporate philosophy is "Contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology." This philosophy is made possible only through the daily efforts of every employee, who must be in good health in order to contribute to the health of others.

Morinaga Milk declares that, as a company that aims to contribute to the public's health, we consider the health of our employees an important asset and therefore affirm our intention to actively enhance health promotion efforts to maintain and advance the health of our employees.

Specifically, we have implemented the Morinaga Milk Health Management Program which takes on initiatives of disease prevention, treatment and relapse prevention in terms of both physical and mental healthcare.

Program participants are the entire body of employees including executives. Each person should take charge of their own health management, as it is fundamentally one's own responsibility to ensure their own health. The company is actively providing its support in this regard.

Health is a priceless treasure that cannot be replaced.

Staying healthy allows us to enrich our lives and perform work with enthusiasm and energy.

We ask our employees to take advantage of the resources available at the company while taking it upon themselves to maintain and improve their own health. I hope that everyone will make a proactive effort to stay healthy and therefore work with enthusiasm and energy.

Est. August 2017

Compliance Code of Conduct

The Morinaga Milk Group calls attention to specific action criteria for all officers and all employees to engage in compliance on a daily basis using the "Five Action Check Points" and "Our Courage." These codes of conduct have been compiled on a portable compliance card that all employees carry and use during the course of their daily work to think about their own actions. The goal is to have each and every employee fully understand and put into practice these codes of conduct so that the Morinaga Milk Group can be trusted by society.

Five Action Check Points

Ask yourself, will your action...

1. Violate laws or regulations?
2. Subject the company to social criticism?
3. Embarrass your family, friends or acquaintances if they find out?
4. Damage the trust and brand of the entire Morinaga Milk Group?
5. Go against your own good conscience?

Our Courage

1. Courage to refuse a supervisor's orders
2. Courage not to cover up
3. Courage not to turn a blind eye

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Anti-corruption Policy of the Morinaga Milk Group

As a food company that aims to contribute to healthy and enjoyable lifestyles through offering unique products derived from advanced milk technology, the Morinaga Milk Group engages in activities with ethics and integrity and strives to prevent corruption.

1. Compliance with Anti-corruption Laws and Regulations
   In order to prevent corruption, we will comply with all applicable anti-corruption laws and regulations in countries and regions in which the Group operates, in accordance with our Guiding Principles and ethical standards.
2. Prohibition of Bribery, etc.
   We will not provide, offer, or promise bribes to civil servants (including foreign civil servants) or parties corresponding to civil servants (hereinafter collectively "civil servants, etc."), whether directly and indirectly, domestically or internationally. We will maintain fair and transparent relationships with business partners, civil servants, etc., and will comply with laws, regulations, guidelines, norms, internal regulations, sound business practices, etc. regarding the prevention of bribery and corruption. We will also prohibit the giving or receiving of improper money, gifts, entertainment, or other gains that deviate from social standards.
3. Handling of Audits and Investigations
   We will fully cooperate with audits by external auditors and internal auditing departments and with investigations by relevant authorities of each country and region, and will bear accountability for compliance with this policy.
4. Improvement of Relevant Structures
   In order to ensure the prevention and early detection of corruption, we will improve our internal whistleblowing system based structures for accepting whistleblowing reports and consultations from all employees (including officers) regarding acts that violate or may violate this policy. We will properly operate the internal whistleblowing system to ensure that whistleblowers are not subject to unfair treatment and that confidential information concerning whistleblowers is not leaked.
5. Education and Training for the Prevention of Corruption
   We will strive to prevent corruption by making this policy known to all employees (including officers) through education and training, and by enlightening all employees concerning the prohibition of bribery. We will also ask that our business partners and other relevant parties understand and cooperate with these efforts.
6. Disciplinary Measures, etc.
   We will strictly discipline employees (including officers) who have violated anti-corruption laws and regulations or internal regulations regarding prevention of corruption (including this policy), in accordance with personal legal liability and with internal work regulations and other rules.

Est. October 2020

Third Party Assurance

Lloyd's Register Quality Assurance Limited guarantees the energy consumption and CO_2 emission results (Scope 1, Scope 2) for FY 2020 described on pages 42 to 43 of this Data Book as reliable.
Morinaga Milk will continue to work to improve the reliability of environmental data.
For the scope of aggregation, see "Third Party Assurance of Actual Data and Scope of Aggregation." (→ p. 41)

Lloyd's Register

LR Independent Assurance Statement

Relating to Morinaga Milk Group's Environmental Data within Sustainability Page of its Corporate Website for the Fiscal Year 2020

This Assurance Statement has been prepared for MORINAGA MILK INDUSTRY CO., LTD. in accordance with our contract but is intended for the readers of this report.

Terms of Engagement
Lloyd's Register Quality Assurance (LR) was commissioned by MORINAGA MILK INDUSTRY CO., LTD. ("the Company") to provide independent assurance on its environmental data disclosed in Sustainability page of its Corporate Website ("the report") for the fiscal year 2020 (from 1 April 2020 to 31 March 2021), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE3000 (Revised) and ISO 14064-3 for Greenhouse gas ("GHG") emissions data.

Our assurance engagement covered the Company's operations and activities at 12 manufacturing plants and its consolidated subsidiaries (14 companies, 17 factories) in Japan and specifically the following requirements: [1]

- Verifying conformance with the Company's reporting methodologies for the selected dataset:
- Evaluating the accuracy and reliability of data for only the selected environmental datasets listed below: [2]
  - Scope 1 GHG emissions (Tonnes CO_2) [3]
  - Scope 2 GHG emissions [market-based] (Tonnes CO_2)
  - Total energy consumption (MWh)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion
Based on LR's approach nothing has come to our attention that would cause us to believe the Company has not, in all material respects:

- Met the requirements of the criteria listed above; and
- Disclosed accurate and reliable environmental data and information as summarized in Table 1 below.

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

[1] *The performance data relating Akita Orion Food in the Tohoku Morinaga Milk, Akita Plant site is included.*
[2] *GHG quantification is subject to inherent uncertainty.*
[3] *The scope covers only energy-oriented CO_2. And fuel consumption and CO_2 emissions from non-production uses are not included in the aggregate results.*

Lloyd's Register

LR's Approach
LR's assurance engagements are carried out in accordance with ISAE3000 and ISO14064-3 for GHG emissions. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or misstatements in the Report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification.
- Interviewing with those key people responsible for compiling the data and drafting the report.
- Sampling datasets and traced activity data back to aggregated levels;
- Verifying the historical data and records associated with GHG emissions and energy consumption for the fiscal year 2020; and
- By Implementing the Company's "No Visitor" Policy due to the global infection spread of COVID-19, conducting the remote verification to Chukyo plant of MORINAGA MILK INDUSTRY CO., LTD. and FUJI MORINAGA DAIRY CO., LTD. for confirming the effectiveness of its data management systems via emails, telephone, and Google meet. For the head office, it was implemented by face-to-face verification.

Observations
Further observations and findings, made during the assurance engagement, are:
The Company should further demonstrate the accuracy and reliability of its future reports. This is particular to ensure effective internal verification processes at both the corporate head office and site levels.

LR's Standards, Competence and Independence
LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This verification is the only work undertaken by LR for the Company and as such does not compromise our independence or impartiality.

Signed Dated: 10 July 2021

Saeko Shimizu
LR Lead Verifier
On behalf of Lloyd's Register Quality Assurance Limited
10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA00000882

Lloyd's Register

Table 1. Summary of MORINAGA MILK Group's environmental data fiscal year 2020:

Scope		
Scope 1 GHG emissions	185,779	tonnes CO_2
Scope 2 GHG emissions (Market-based)	133,663	tonnes CO_2
Total energy consumption	1,298,901	MWh

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The United Nations Global Compact Index

This is a comparison table for the 10 principles of the Global Compact advocated by the United Nations and Morinaga Milk efforts towards each principle.

The Principles of the United Nations Global Compact	Applicable page
Human Rights	
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Human Rights (52), Human Rights Policy (95)
Principle 2: make sure that they are not complicit in human rights abuses.	Human Rights (52), Human Rights Policy (95), Procurement Policy (96)
Labour	
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Management-Labor Dialogue (59), Human Rights Policy (95)
Principle 4: the elimination of all forms of forced and compulsory labour;	Human Rights (52), Human Rights Policy (95)
Principle 5: the effective abolition of child labour; and	Human Rights (52), Human Rights Policy (95)
Principle 6: the elimination of discrimination in respect of employment and occupation.	Diversity & Inclusion (55), Human Rights Policy (95)
Environment	
Principle 7: Businesses should support a precautionary approach to environmental challenges;	Environment (37), Environmental Policy (95), Procurement Policy (96)
Principle 8: undertake initiatives to promote greater environmental responsibility; and	Environment (37), Environmental Policy (95)
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Environment (37), Environmental Policy (95)
Anti-Corruption	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Compliance (90), Compliance Code of Conduct (99), Anti-corruption Policy (100)

GRI Content Index

This data book uses GRI Standards as reference.
The following data book also include disclosures.

WEB

Integrated Report
▶https://www.morinagamilk.co.jp/english/ir/library/annual.html
Corporate Governance Report
▶https://www.morinagamilk.co.jp/english/ir/management/governance.html

Disclosure		Applicable page
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016		
Organizational profile		
102-1	Name of the organization	About Us (6)
102-2	Activities, brands, products, and services	About Us (6, 7, 8), Health and Nutrition (28, 32-34), The Environment (47), Supply Chains (70)
102-3	Location of headquarters	About Us (6)
102-4	Location of operations	About Us (6)
102-5	Ownership and legal form	About Us (6)
102-6	Markets served	About Us (6)
102-7	Scale of the organization	About Us (6)
102-8	Information on employees and other workers	About Us (6), Human Rights (52), Human Resource Development (82)
102-9	Supply chain	About Us (6), Seven Priority Issues (20)
102-10	Significant changes to the organization and its supply chain	About Us (6)
102-11	Precautionary Principle or approach	Seven Priority Issues (20)
102-12	External initiatives	Sustainability at Morinaga Milk (15)
102-13	Membership of associations	Sustainability at Morinaga Milk (15), The Environment (50, 51), Supply Chains (69, 70)
Strategy		
102-14	Statement from senior decision-maker	Integrated Report
102-15	Key impacts, risks, and opportunities	Seven Priority Issues (20)
Ethics and integrity		
102-16	Values, principles, standards, and norms of behavior	Corporate Mission (9)
102-17	Mechanisms for advice and concerns about ethics	Compliance (90)
Governance		
102-18	Governance structure	Integrated Report, Corporate governance Report
102-19	Delegating authority	Integrated Report, Corporate governance Report
102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability at Morinaga Milk (13, 14)
102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability at Morinaga Milk (13, 14)
102-22	Composition of the highest governance body and its committees	Integrated Report, Corporate governance Report
102-23	Chair of the highest governance body	Integrated Report, Corporate governance Report
102-24	Nominating and selecting the highest governance body	Integrated Report, Corporate governance Report
102-25	Conflicts of interest	Compliance (90), Corporate governance Report
102-26	Role of highest governance body in setting purpose, values, and strategy	Integrated Report, Corporate governance Report
102-27	Collective knowledge of highest governance body	Integrated Report, Corporate governance Report
102-28	Evaluating the highest governance body's performance	Integrated Report, Corporate governance Report
102-29	Identifying and managing economic, environmental, and social impacts	Sustainability at Morinaga Milk (13, 14)
102-30	Effectiveness of risk management processes	Integrated Report, Corporate governance Report

102-31	Review of economic, environmental, and social topics	Integrated Report, Corporate governance Report
102-32	Highest governance body's role in sustainability reporting	
102-33	Communicating critical concerns	
102-34	Nature and total number of critical concerns	
102-35	Remuneration policies	Integrated Report, Corporate governance Report
102-36	Process for determining remuneration	Integrated Report, Corporate governance Report
102-37	Stakeholders involvement in remuneration	Integrated Report, Corporate governance Report
102-38	Annual total compensation ratio	Integrated Report, Corporate governance Report
102-39	Percentage increase in annual total compensation ratio	Integrated Report, Corporate governance Report
Stakeholder engagement		
102-40	List of stakeholder groups	Sustainability at Morinaga Milk (14), Human Rights (52)
102-41	Collective bargaining agreements	Human Rights (59), Policies, Philosophy and Principles (95)
102-42	Identifying and selecting stakeholders	Sustainability at Morinaga Milk (14), Human Rights (52)
102-43	Approach to stakeholder engagement	Sustainability at Morinaga Milk (14), Human Rights (52)
102-44	Key topics and concerns raised	Seven Priority Issues (17)
Reporting practice		
102-45	Entities included in the consolidated financial statements	About Us (6), Integrated Report, Financial Results
102-46	Defining report content and topic Boundaries	Editorial Policy (5)
102-47	List of material topics	Seven Priority Issues (17)
102-48	Restatements of information	
102-49	Changes in reporting	
102-50	Reporting period	Editorial Policy (5)
102-51	Date of most recent report	Editorial Policy (5)
102-52	Reporting cycle	Editorial Policy (5)
102-53	Contact point for questions regarding the report	Editorial Policy (5)
102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy (5)
102-55	GRI content index	GRI Content Index (103-110)
102-56	External assurance	Third Party Assurance (101)

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Economic Performance		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Integrated Report
201-2	Financial implications and other risks and opportunities due to climate change	
201-3	Defined benefit plan obligations and other retirement plans	
201-4	Financial assistance received from government	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 202: Market Presence 2016		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	
202-2	Proportion of senior management hired from the local community	

Indirect Economic Impacts		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	
203-2	Significant indirect economic impacts	Health and Nutrition (31, 32)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Supply Chains (63), Policies, Philosophy and Principles (96)
103-2	The management approach and its components	Supply Chains (63), Policies, Philosophy and Principles (96)
103-3	Evaluation of the management approach	Supply Chains (63), Policies, Philosophy and Principles (96)
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Compliance (90), Policies, Philosophy and Principles (100)
103-2	The management approach and its components	Compliance (90), Policies, Philosophy and Principles (100)
103-3	Evaluation of the management approach	Compliance (90), Policies, Philosophy and Principles (100)
GRI 205: Anti-corruption 2016		
205-1	Operations assessed for risks related to corruption	
205-2	Communication and training about anti-corruption policies and procedures	Compliance (90, 91), Policies, Philosophy and Principles (100)
205-3	Confirmed incidents of corruption and actions taken	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Compliance (90), Policies, Philosophy and Principles (99)
103-2	The management approach and its components	Compliance (90), Policies, Philosophy and Principles (99)
103-3	Evaluation of the management approach	Compliance (90), Policies, Philosophy and Principles (99)
GRI 206: Anti-competitive Behavior 2016		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	
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GRI 207: TAX 2019		
207-1	Approach to tax	Website
207-2	Tax governance, control and risk management	
207-3	Stakeholder engagement and management concerns related to tax	
207-4	Country-by-country reporting	

Disclosure		Applicable page
GRI 300 Environmental Standards Series		
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
GRI 301: Materials 2016		
301-1	Materials used by weight or volume	The Environment (45, 46, 47, 48)
301-2	Recycled input materials used	The Environment (45, 46, 47, 48)
301-3	Reclaimed products and their packaging materials	The Environment (45, 46, 47, 48)

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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), The Environment (42), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), The Environment (42), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), The Environment (42), Policies, Philosophy and Principles (95)
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	The Environment (42)
302-2	Energy consumption outside of the organization	The Environment (42)
302-3	Energy intensity	The Environment (42)
302-4	Reduction of energy consumption	The Environment (42)
302-5	Reductions in energy requirements of products and services	The Environment (42)
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GRI 303: Water and Effluents 2018		
303-1	Interactions with water as a shared resource	The Environment (37, 48), Policies, Philosophy and Principles (95)
303-2	Management of water discharge-related impacts	The Environment (39, 48, 49)
303-3	Water withdrawal	The Environment (48)
303-4	Water discharge	The Environment (48)
303-5	Water consumption	The Environment (48)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
GRI 304: Biodiversity 2016		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
304-2	Significant impacts of activities, products, and services on biodiversity	The Environment (51), Human Rights (54), Supply Chains (69, 70)
304-3	Habitats protected or restored	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	
Emissions		
GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	The Environment (42, 43)
305-2	Energy indirect (Scope 2) GHG emissions	The Environment (42, 43)
305-3	Other indirect (Scope 3) GHG emissions	The Environment (42, 43)
305-4	GHG emissions intensity	The Environment (42, 43)
305-5	Reduction of GHG emissions	The Environment (42, 43, 44)
305-6	Emissions of ozone-depleting substances (ODS)	The Environment (42, 44)
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	The Environment (42, 44)
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GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	The Environment (37, 45), Policies, Philosophy and Principles (95)
306-2	Management of significant waste-related impacts	The Environment (37, 45, 46)
306-3	Waste generated	The Environment (45, 46)
306-4	Waste diverted from disposal	The Environment (45, 46)
306-5	Waste directed to disposal	The Environment (45, 46)

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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), The Environment (37), Policies, Philosophy and Principles (95)
GRI 307: Environmental Compliance 2016		
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	The Environment (37), Supply Chains (63), Policies, Philosophy and Principles (95, 96)
103-2	The management approach and its components	The Environment (37), Supply Chains (63), Policies, Philosophy and Principles (95, 96)
103-3	Evaluation of the management approach	The Environment (37), Supply Chains (63), Policies, Philosophy and Principles (95, 96)
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308-1	New suppliers that were screened using environmental criteria	
308-2	Negative environmental impacts in the supply chain and actions taken	The Environment (44, 51), Human Rights (54), Supply Chains (69, 70)

Disclosure		Applicable page
GRI 400 Social Standards Series		
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Human Rights (52), Human Resource Development (82), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Human Rights (52), Human Resource Development (82), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Human Rights (52), Human Resource Development (82), Policies, Philosophy and Principles (95)
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Human Rights (55, 56)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3	Parental leave	Human Rights (57)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Human Rights (59)
103-2	The management approach and its components	Human Rights (59)
103-3	Evaluation of the management approach	Human Rights (59)
GRI 402: Labor/Management Relations 2016		
402-1	Minimum notice periods regarding operational changes	Human Rights (59)
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GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Human Rights (60)
403-2	Hazard identification, risk assessment, and incident investigation	Human Rights (60)
403-3	Occupational health services	Human Rights (60)
403-4	Worker participation, consultation, and communication on occupational health and safety	Human Rights (60)
403-5	Worker training on occupational health and safety	Human Rights (62)
403-6	Promotion of worker health	Human Rights (58, 60), Human Resource Development (87)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Human Rights (60)
403-8	Workers covered by an occupational health and safety management system	Human Rights (60)
403-9	Work-related injuries	Human Rights (61)
403-10	Work-related ill health	Human Rights (60), Human Resource Development (87)
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103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Resource Development (82)

103-2	The management approach and its components	Seven Priority Issues (17), Human Resource Development (82)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Resource Development (82)
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Non-disclosure
404-2	Programs for upgrading employee skills and transition assistance programs	Human Resource Development (82)
404-3	Percentage of employees receiving regular performance and career development reviews	Human Resource Development (82)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52, 55), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52, 55), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52, 55), Policies, Philosophy and Principles (95)
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Human Rights (55), Corporate governance Report
405-2	Ratio of basic salary and remuneration of women to men	Non-disclosure
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
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406-1	Incidents of discrimination and corrective actions taken	Human Rights (53), Compliance (91)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
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407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights (54, 59)
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103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
GRI 408: Child Labor 2016		
408-1	Operations and suppliers at significant risk for incidents of child labor	Human Rights (54)
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103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
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103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
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409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights (54)
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103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
GRI 410: Security Practices 2016		
410-1	Security personnel trained in human rights policies or procedures	Human Rights (53)

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103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
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GRI 411: Rights of Indigenous Peoples 2016		
411-1	Incidents of violations involving rights of indigenous peoples	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-2	The management approach and its components	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Human Rights (52), Policies, Philosophy and Principles (95)
GRI 412: Human Rights Assessment 2016		
412-1	Operations that have been subject to human rights reviews or impact assessments	Human Rights (52)
412-2	Employee training on human rights policies or procedures	Human Rights (52, 53)
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Nurturing the Next Generation (76)
103-2	The management approach and its components	Seven Priority Issues (17), Nurturing the Next Generation (76)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Nurturing the Next Generation (76)
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments, and development programs	
413-2	Operations with significant actual and potential negative impacts on local communities	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
103-2	The management approach and its components	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
GRI 414: Supplier Social Assessment 2016		
414-1	New suppliers that were screened using social criteria	
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103-1	Explanation of the material topic and its Boundary	
103-2	The management approach and its components	
103-3	Evaluation of the management approach	
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415-1	Political contributions	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
103-2	The management approach and its components	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
103-3	Evaluation of the management approach	Seven Priority Issues (17), Supply Chains (63), Policies, Philosophy and Principles (96)
GRI 416: Customer Health and Safety 2016		
416-1	Assessment of the health and safety impacts of product and service categories	Seven Priority Issues (17), Supply Chains (63)
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	

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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Health and Nutrition (27), Supply Chains (63), Policies, Philosophy and Principles (94)
103-2	The management approach and its components	Health and Nutrition (27), Supply Chains (63), Policies, Philosophy and Principles (94)
103-3	Evaluation of the management approach	Health and Nutrition (27), Supply Chains (63), Policies, Philosophy and Principles (94)
GRI 417: Marketing and Labeling 2016		
417-1	Requirements for product and service information and labeling	Health and Nutrition (27), Policies, Philosophy and Principles (94)
417-2	Incidents of non-compliance concerning product and service information and labeling	
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Information Security (92)
103-2	The management approach and its components	Information Security (92)
103-3	Evaluation of the management approach	Information Security (92)
GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Information Security (92)
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GRI 103: Management Approach 2016		
103-1	Explanation of the material topic and its Boundary	Compliance (90), Policies, Philosophy and Principles (99)
103-2	The management approach and its components	Compliance (90), Policies, Philosophy and Principles (99)
103-3	Evaluation of the management approach	Compliance (90), Policies, Philosophy and Principles (99)
GRI 419: Socioeconomic Compliance 2016		
419-1	Non-compliance with laws and regulations in the social and economic area	Compliance (90)

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