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Policy and Approach

Our Approach to CSR

In 2019, Morinaga Milk Group created its 10-Year Vision, outlining a plan for the next decade in our aim to be a company that balances “delicious and pleasurable food” with “health and nutrition,” “a global company that exerts a unique presence worldwide,” and be “a company that persistently helps make social sustainability a reality.”

Based on this idea, we have established seven priority issues and set KPIs for each under our basic policy of “Performing Business with an ESG-focus Aligned with Our Corporate Philosophy,” one of three core policies outlined in the Morinaga Milk Business Plan for the Next Medium Term (ending March 31, 2022), to solve social issues through our products, services, and activities with the aim of realizing sustainable growth together with society.

The Morinaga Milk Group will contribute to the creation of a society in which people can enjoy happiness and fulfillment by addressing these seven priority issues.

System

CSR Promotion System

Through the CSR Committee chaired by the president, Morinaga Milk is promoting CSR activities throughout the entire Group. In 2016, the CSR Promotion Department was established as a special department with company-wide functions for organizing CSR activities and strengthening cross-departmental activities in each department to establish a system through which the entire company could address management issues related to CSR. The concept of CSR can be spread throughout the entire Group by disseminating and sharing sufficient information inside the Morinaga Milk Group.

The CSR Committee was established to reinforce the functions of the Board of Directors. It identifies topics that should be addressed in order to achieve a sustainable society from an ESG (Environment, Social, and Governance) perspective and deliberates on action, progress, and confirmation.

CSR Committee

With the president as the chairperson, the committee consists of the officers, the relevant department managers, and people appointed by the chairperson. The CSR Promotion Department, meanwhile, takes charge of coordination. The regular committee meeting is held once every six months, in principle.

CSR Promotion Department

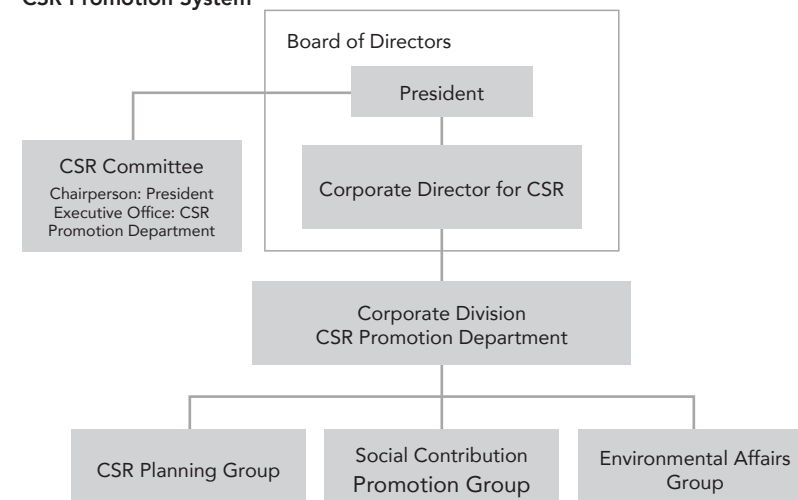
The CSR Promotion Department consists of the CSR Planning Group, the Social Contribution Promotion Group, and the Environmental Affairs Group.

The CSR Planning Group is responsible for dissemination of non-financial ESG-related information, as well as the planning, implementation, and promotion of measures to improve the corporate and organizational culture.

The Social Contribution Promotion Group is responsible for promoting social contribution activities such as plant tours and food education.

The Environmental Affairs Group is responsible for promoting company-wide environmental affairs as well as overseeing the operation and supervision of ISO 14001 Environmental Management Systems.

CSR Promotion System



WEB

Corporate Governance Organization
▶ <https://www.morinagamilk.co.jp/english/ir/management/governance.php>

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Communication with Stakeholders

The Circle of Empathy

The corporate activities of Morinaga Milk are based on expanding empathy with seven groups of stakeholders and identifying the topics which must be addressed in the relationships with each group of stakeholders.



Communication Methods

Morinaga Milk uses the following methods to communicate with each group of stakeholders.

Stakeholders	Communication methods and results
Customers	(1) Consumer Service Office (2) Customer satisfaction questionnaire surveys (3) Angel 110 hotline (4) Social contribution activities (e.g. Expedition Team Exploring Forest and Food)
Shareholders and investors	(1) General Meeting of Shareholders (June 2020) Number of voting rights exercised: 407,085 (2) Briefings for individual investors Number held in FY 2019: 7 Financial results briefing Number held in FY 2019: 2 (3) Dissemination of information through the investor relations website
Business partners and suppliers	(1) CSR procurement questionnaires (2) Quality improvement seminars and distribution seminars (3) Supplier briefings
Academic research	Joint research and presentations at conferences
Employees	(1) Energy Survey (employee satisfaction survey) (2) Career surveys (3) Dialogue through the Co-Creation of Aspirations Forum
Local communities	(1) Plant tours Number of visitors in FY 2019: 25,000 (2) Participation in environmental cleanup activities and other events
Environment	(1) Use of certified raw materials (2) Cooperation and collaboration with environmental industry groups (3) Cleaning around manufacturing plants

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Joining External Initiatives and Groups

Morinaga Milk engages in dialogue and collaboration with diverse stakeholders in order to realize a sustainable society.

On the global level, Morinaga Milk signed the United Nations Global Compact in April 2018 endorsing the 10 Principles related to protecting human rights, eliminating unjust labor, taking action on the environment, and preventing corruption advocated by the United Nations.



In addition, regarding palm oil and palm kernel oil, which are used as raw materials, Morinaga Milk joined the Roundtable on Sustainable Palm Oil (RSPO) in March 2018, based on the Group Procurement Policy. In April 2019, Morinaga Milk also took part in Japan Sustainable Palm Oil Network (JaSPON), serving as an executive committee member. Going forward, Morinaga Milk will continue to purchase sustainable palm oil.



Check our progress at
www.rspo.org



In Japan, Morinaga Milk served as vice-chair of the Japan Dairy Industry Association and the Committee for Milk Container Environmental Issues in FY 2019 and now serves as an executive committee member of Japan Dairy Association (J Milk) in order to improve the quality of milk and dairy products and production technology and to contribute to the development of the dairy industry.

External Evaluations and Commendations

Morinaga Milk has been highly rated by a variety of external institutions as a corporate entity that implements activities aimed at achieving a sustainable society and has also received commendations from various external organizations for product quality, research activities, and social activities. (The month and year the award was received is indicated in brackets.)

Evaluations and Commendations	Contents
External Ratings	<ul style="list-style-type: none"> • Highest ranking under the Development Bank of Japan's Health Management Rated Loan Program (December 2015) • Certification under the Development Bank of Japan's BCM Rated Loan Program (March 2018) • Highest ranking under the Development Bank of Japan's Environmentally Rated Loan Program (March 2019) • Selected for inclusion in the SNAM Sustainability Index* (June 2018, June 2019) *Name changed to the SOMPO Sustainability Index
Awards (Products)	<ul style="list-style-type: none"> • KRAFT Pure (Muku) – Mature Cheddar Flavor and KRAFT Pure (Muku) – Mature Gouda Flavor have received Three-Star Superior Taste Awards and Two-Star Superior Taste Awards, respectively, from the International Taste Institute (ITI) for three consecutive years (June 2017, 2018, and 2019). • Morinaga Jelly series awarded the 2019 Mothers' Selection Grand Prize (November 2019) • 38th Japan Food Journal Blockbuster Food Award presented to Triple Yogurt (December 2019)
Awards (Research Activities)	<ul style="list-style-type: none"> • As part of its research and development relating to Aloesterol®, Morinaga Milk Industry undertook a research project entitled "Novel Health Functions of Aloe Vera Gel-derived Phytosterols and Their Application in Functional Foods." This project was selected by the Japan Society of Nutrition and Food Science for its Achievement in Technological Research Award (April 2018) • Infant Nutrition Ingredient of the Year at the Nutra Ingredients-Asia Awards in Singapore presented to Morinaga Milk Industry's Bifidobacterium breve M-16V (September 2019) • Morinaga Milk Industry's research into Bifidobacterium longum BB536 selected for a Food Immunology Industry Award from the Japan Association for Food Immunology (October 2019)
Awards (Social Contribution Activities)	<ul style="list-style-type: none"> • Morinaga Milk Industry certified as an Outstanding Health and Productivity Management Organization 2020 (large enterprise category) (March 2020) • Morinaga Milk Industry won the Review Committee Chairperson's Award in the 5th Food Industry Mottainai Awards (awards for reducing wastefulness) presented by the Japan Organics Recycling Association (February 2018) • Morinaga Milk Industry's Little Angels Expedition Team Exploring Forest and Food program selected for Judging Panel Encouragement Award in the Corporate Awards for Youth Experience Activity of Japan's Ministry of Education, Culture, Sports, Science and Technology (April 2018) • The Morinaga Milk Industry Annual Report has been recognized at the International ARC Awards for four consecutive years (October 2016, 2017, 2018, and 2019)