


# Third Party Assurance

Lloyd's Register Quality Assurance Limited guarantees the energy consumption and CO<sub>2</sub> 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)



## 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:<sup>1</sup>

- 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:<sup>2</sup>
  - Scope 1 GHG emissions (Tonnes CO<sub>2</sub>);
  - Scope 2 GHG emissions [market-based] (Tonnes CO<sub>2</sub>);
  - 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.

<sup>1</sup> The performance data relating Akita Onsen Food in the Takaku Morinaga Milk, Akita Plant site is included.  
<sup>2</sup> GHG quantification is subject to inherent uncertainty.  
<sup>3</sup> The scope covers only energy-oriented CO<sub>2</sub>. And fuel consumption and CO<sub>2</sub> emissions from non-production uses are not included in the aggregate results.

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**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 - Part 1: 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 *Saeiko Shimizu* Dated: 10 July 2021  
 Saeiko 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

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

Scope	
Scope 1 GHG emissions	185,779 tonnes CO <sub>2</sub>
Scope 2 GHG emissions (Market-based)	133,663 tonnes CO <sub>2</sub>
Total energy consumption	1,298,901 MWh

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