

Human Rights Impact Assessment

Human rights impact assessments are conducted with the aim of promoting necessary corrective actions by assessing the presence or absence of actual human rights impacts on employees working at business sites and the degree of impact to visualize issues. We continuously conduct human rights impact assessments to address potential human rights risks that the Morinaga Milk Group should prioritize.

Potential human rights risks identified*

Potential human rights risks		Main affected stakeholders
①	Complicity in human rights violations in the supply chain	supplier employees
②	Labor issues related to foreign workers in Japan	Employees of our own group and suppliers
③	Labor issues related to workers at overseas sites	Employees of our own group and suppliers
④	Labor issues related to logistics service workers	Employees of our own group and suppliers
⑤	Discrimination and harassment among employees in the workplace	Employees of our own group
⑥	Infringement of consumer rights	consumer

* Potential human rights risks

Through desktop surveys and in-house workshops, we assessed potential human rights risks based on country risk assessments and business risk assessments based on three axes: rights holders, human rights indicators, and value chain.

Furijiport Co., Ltd. Kumamoto Plant (Morinaga Milk Group/Japan)

1. Potential Human Rights Risks

②Labor issues related to foreign workers in Japan

2. Overview of the Assessment

Fiscal year FY2023

Subjects 12 foreign technical intern trainees and 8 temporary workers (total 20), Plant Manager and Office Manager

Methodology

- Interviews conducted by a third-party human rights expert, the Caux Round Table (CRT), as well as verification of the working environment and living environment of technical intern trainees.
- Members of Morinaga Milk's Human Resource Department and Sustainability Promotion Department participated as observers.
- The assessment was conducted based on the Dhaka Principles for Migration with Dignity.

3. Assessment Results

- No serious human rights issues were identified.
- The Kumamoto Plant was assessed as a pioneering workplace promoting coexistence and mutual prosperity with employees of foreign nationality.
- Opportunities for direct dialogue between technical intern trainees and plant personnel have been established, and communication between Japanese and foreign national employees is smooth and satisfactory, including work instructions, explanations regarding defective products, and consultations. Recreational activities for trainees have also been well received.
- Various creative efforts have been made in cooperation with supervisory and temporary staffing agencies to support smoother working conditions for foreign employees.
- Due to frequent turnover among temporary workers, some employees were not fully aware of evacuation routes.
- As the workplace becomes increasingly multinational, continuous dialogue with employees is required.

4. Related Human Rights Issues

Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, migrant workers' rights, modern-day slavery, and access to remediation.

5. Affected Rights Holders

Foreign workers of Japan-based Group companies and suppliers.

6. Actions to Prevent and Mitigate Adverse Human Rights Impacts

Reporting sessions were conducted to address prevention and mitigation of risks, including recommended improvement measures. (The following are recommended improvements)

- Systems were established to ensure that all employees can evacuate smoothly in emergencies, such as creating evacuation routes for each workplace.

- Safety liaison meetings are held once every two months with companies dispatching foreign workers to exchange opinions on occupational safety and other initiatives, and to promote dialogue, awareness, and improvement in cooperation with supervisory and staffing agencies.

7. Tracking the Effectiveness of Responses (2024)

Tracking the effectiveness of responses in FY2023 confirmed that improvements have been successfully implemented without issues.

- Recognition of emergency exits and evacuation routes has been enhanced so that newly assigned personnel can immediately understand evacuation procedures.
- A new dormitory for technical intern trainees was established in 2023, alleviating congestion in kitchen and shower areas.
- Explanations regarding on-site suggestion boxes and the helpline are thoroughly provided at the time of employment, and monthly liaison meetings with staffing agencies are conducted.

Aloe Raw Material Manufacturer (Source of raw materials/Overseas)

1. Potential Human Rights Risks

①Complicity in human rights violations in the supply chain.

2. Overview of the Assessment

Fiscal year FY2024

Subjects Employees working at the aloe raw material production company; owners and employees of two aloe farms

Methodology

- A third-party organization, the Caux Round Table (CRT), conducted pre-assessment surveys and interviews.
- Members of Morinaga Milk's Human Resource Department and Sustainability Promotion Department participated as observers.
- The assessment was conducted based on the Dhaka Principles for Migration with Dignity.

3. Assessment Results

- No significant human rights risks were identified at either the aloe raw material production company or the aloe farms.
- At the aloe raw material production company, some multilingual signage is needed to accommodate multinational employees.
- It is necessary to continuously raise awareness of on-site suggestion boxes and consultation desks at the aloe raw material production company.
- At the aloe farms, hazardous work areas were properly identified and appropriate safety measures were implemented.
- The aloe farms also have supportive environments in which employees with school-age children can balance childcare and work through family cooperation.

4. Related Human Rights Issues

Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, child labor, migrant workers' rights, modern-day slavery, and access to remediation.

5. Affected Rights Holders

Foreign workers of overseas-based suppliers.

6. Actions to Prevent and Mitigate Adverse Human Rights Impacts

- Reporting was conducted toward prevention and mitigation of risks (recommended improvement measures are as follows).
- Labor safety and health information boards and evacuation route indicators at the aloe raw material production company will be gradually updated to include multiple languages.
- Efforts to regularly raise awareness of the suggestion boxes and consultation desks installed on-site at the aloe raw material production company will be implemented.

Logistics Company (Contractor at Morinaga Milk's Tone Plant/Japan)

1. Potential Human Rights Risks

- ①Complicity in human rights violations in the supply chain.
- ④Labor issues related to logistics service workers.

2. Overview of the Assessment

Fiscal year	FY2024
Subjects	Five drivers and seven refrigerated warehouse workers (employees, senior employees, and contract employees), total 12
Methodology	- A third-party organization, the Caux Round Table (CRT), conducted surveys and interviews, and the working environment was also reviewed. - Members of Morinaga Milk's Human Resource Department and Sustainability Promotion Department participated as observers. - The assessment was conducted based on the Dhaka Principles for Migration with Dignity.

3. Assessment Results

- Although the company's human rights policy is communicated through posters and training, employees need to be made more aware of it.
- Safety education is thoroughly implemented for all employees, including contract employees.
- Evacuation drills are conducted regularly; however, the need for drills that assume disasters occurring at night was recognized.
- Logistics pallets are stacked high in the warehouse, raising concerns that they could become obstacles to securing evacuation routes in the event of an earthquake.
- While an internal whistleblowing system is in place for employees, it is necessary to also make partner company employees and spot workers more aware of the remediation mechanisms.

4. Related Human Rights Issues

Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, rights of young workers, migrant workers' rights, modern-day slavery, women's rights, and access to remediation.

5. Affected Rights Holders

Workers responsible for logistics services of Japan-based suppliers.

6. Actions to Prevent and Mitigate Adverse Human Rights Impacts

- In February 2025, a reporting session was held with the logistics company and relevant departments of Morinaga Milk (Sustainability Promotion Department, Logistics Department, Human Resource Department, and East Japan Milk Products Center) toward prevention and mitigation of risks (recommended improvement measures are as follows).
- Conduct evacuation drills during nighttime hours from the perspective of occupational safety and health.

- From the perspective of occupational safety and health, devise ways to secure safe evacuation routes (risk of routes being blocked by three-high stacks of crates placed along the aisle, which could prevent evacuation).

Packaging Material Supplier(Partner/Japan)	
1. Potential Human Rights Risks	
①Complicity in human rights violations in the supply chain. ②Labor issues related to foreign workers in Japan	
2. Overview of the Assessment	
Fiscal year	FY2024
Subjects	Contract employees and dispatched employees working at the plant
Methodology	- A third-party organization, the Caux Round Table (CRT), conducted surveys and interviews, and verified the working environment and living environment. - Members of Morinaga Milk's Human Resource Department and Sustainability Promotion Department participated as observers. - The assessment was conducted based on the Dhaka Principles for Migration with Dignity.
3. Assessment Results	
- Work rules provided to workers, employment contracts, pay statements, and other documents are not prepared in the workers' native languages. - Labor safety and health bulletin boards and evacuation route information at the worksite are not prepared in languages that workers can understand. - Although suggestion boxes are installed on-site, many foreign workers are not aware of their existence, meaning the right to access remediation is not ensured.	
4. Related Human Rights Issues	
Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, migrant workers' rights, modern-day slavery, women's rights, and access to remediation.	
5. Affected Rights Holders	
Foreign workers of Japan-based suppliers.	
6. Actions to Prevent and Mitigate Adverse Human Rights Impacts	
- Reporting was conducted toward prevention and mitigation of risks (recommended improvement measures are as follows). - Provide workers with translated materials in languages they can understand, at least for the minimum and most important sections. - Especially in hazardous work areas, multilingual guidance and communication for foreign workers is required. - Improvements are needed to raise awareness of suggestion boxes and to provide foreign-language support; in addition, regular education aimed at fostering human rights awareness is required.	

Morinaga Nutritional Foods Vietnam Joint Stock Company (Morinaga Milk Group/ Overseas)

1. Potential Human Rights Risks

③ Labor issues related to workers at overseas sites

2. Overview of the Assessment

Fiscal year FY2024

Subjects 13 employees and management-level personnel

Methodology • A third-party organization, the Caux Round Table (CRT), conducted surveys and interviews.
 • Members of Morinaga Milk's Human Resource Department and Sustainability Promotion Department participated as observers.
 • The assessment was conducted based on the Dhaka Principles for Migration with Dignity.

3. Assessment Results

- Although the company makes efforts to communicate with employees, many employees do not understand company rules and matters such as workers' compensation insurance, and further awareness-raising is necessary.
- There is no consultation desk prepared by the company, creating a risk regarding access to remediation.

4. Related Human Rights Issues

Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, migrant workers' rights, modern-day slavery, women's rights, and access to remediation.

5. Affected Rights Holders

Employees of overseas Group companies.

6. Actions to Prevent and Mitigate Adverse Human Rights Impacts

- Reporting was conducted toward prevention and mitigation of risks (recommended improvement measures are as follows).
- Provide explanations and raise awareness regarding work rules and workers' compensation insurance, etc.
- Introduce a mechanism that enables employees to submit opinions and consultations anonymously, foster opportunities for dialogue, and establish a feedback system.

Packaging Material Supplier (Partner/Japan)	
1. Potential Human Rights Risks	
① Complicity in human rights violations in the supply chain ② Labor issues related to foreign workers in Japan	
2. Overview of the Assessment	
Fiscal year	FY2025
Subjects	12 foreign temporary agency workers at the plant, interpreter, staffing agency representatives, and group leaders at each workplace
Methodology	- A third-party organization, the Caux Round Table (CRT), conducted surveys and interviews. - Members of Morinaga Milk's Sustainability Promotion Department and Procurement Department participated as observers. - The assessment was conducted based on the Dhaka Principles for Migration with Dignity.
3. Assessment Results	
- Some workers have not received work rules or pay statements in their native languages from the staffing agency, indicating a need for improved communication and awareness of labor conditions. - Human rights risks related to interpersonal relationships—such as bullying, harassment, and discrimination—were observed in a multicultural workplace with a diverse workforce. - Many workers are not aware of the existence of suggestion boxes installed in the plant, meaning that the right to access remediation is not ensured.	
4. Related Human Rights Issues	
Fair wages, working hours, discriminatory practices, occupational health and safety, freedom of association and the right to collective bargaining, forced labor, migrant workers' rights, modern-day slavery, women's rights, and access to remediation.	
5. Affected Rights Holders	
Foreign workers of Japan-based suppliers.	
6. Actions to Prevent and Mitigate Adverse Human Rights Impacts	
- In December 2025, a reporting session was held with the packaging material supplier and relevant departments of Morinaga Milk (Sustainability Promotion Department and Procurement Department) toward prevention and mitigation of risks (recommended improvement measures are as follows). - The plant should request staffing agencies to provide and explain work rules, employment contracts, and pay statements in workers' native languages. - The plant should incorporate human rights education into onboarding training programs and conduct regular follow-up. - Consultation mechanisms such as suggestion boxes should be made more visible. In addition to establishing multilingual support, it is necessary to enhance communication in daily operations and provide thorough explanations at the time of employment.	