

# ESG Data

## Environment

### Policy

Environmental policy "Morinaga Group Environmental Policy" <https://www.morinaga.co.jp/company/english/csr/environment/management.html>

### Scope of ESG Data (Environment) Reporting

Morinaga & Co., Ltd., Takasaki Morinaga Co., Ltd., Morinaga Angel Dessert Co., Ltd., Morinaga Dessert Co., Ltd., Morinaga Snack Foods Co., Ltd., Morinaga Kofu Foods Co., Ltd., Aunt Stella Inc., Morinaga Market Development Co., Ltd., Morinaga Shoji Co., Ltd., Morinaga Takasaki Country Co., Ltd., Morinaga Business Partner Co., Ltd., and Morinaga Institute of Biological Science, Inc.  
Taiwan Morinaga Co. Ltd, Morinaga Food (Zhejiang) Co., Ltd., and Morinaga America Foods, Inc.

### Greenhouse gas emissions

| CO <sub>2</sub> emissions | Unit                                  | FY2018/3             | FY2019/3 | FY2020/3 | Scope                                      |
|---------------------------|---------------------------------------|----------------------|----------|----------|--|
| CO <sub>2</sub> emissions | t-CO <sub>2</sub>                     | 36,256               | 37,588   | 37,131   | Morinaga & Co., Ltd.                       |
|                           | t-CO <sub>2</sub>                     | 56,745               | 58,133   | 57,048   | Morinaga Group's production bases in Japan |
|                           | Basic unit (per manufacturing weight) | t-CO <sub>2</sub> /t | 0.48     | 0.48     | 0.47                                       |
| CO <sub>2</sub> emissions | t-CO <sub>2</sub> /t                  | -                    | 8,167    | 9,137    | Morinaga Group's production bases overseas |

| Supply chain emissions (Scopes 1, 2, 3)<br>+FY2020/3 results | Unit                | Emissions | Scope for calculation           | Remarks   |
|--|---------------------|-----------|---------------------------------|---|
| Scope1 Total   | t-CO <sub>2</sub> e | 20,794    | Domestic consolidated companies |   |
| Scope 2 (Location standard) Total                            | t-CO <sub>2</sub> e | 52,024    | Domestic consolidated companies |   |
| Scope 2 (Market standard) Total                              | t-CO <sub>2</sub> e | 49,605    | Domestic consolidated companies |   |
| Scope 3  |                     |           |                                 |   |
| Category 1 Purchased goods and services                      | t-CO <sub>2</sub> e | 248,003   | Domestic consolidated companies | Amount of raw materials and contract manufacturing products purchased |
| Category 2 Capital goods                                     | t-CO <sub>2</sub> e | 122,971   | Domestic consolidated companies |   |
| Category 3 Fuel- and energy-related activities               | t-CO <sub>2</sub> e | 3,774     | Domestic consolidated companies |   |
| Category 4 Upstream transportation and distribution          | t-CO <sub>2</sub> e | 15,809    | Morinaga & Co., Ltd.            |   |
| Category 5 Waste generated in operations                     | t-CO <sub>2</sub> e | 4,176     | Domestic consolidated companies |   |
| Category 6 Business travel                                   | t-CO <sub>2</sub> e | 618       | Domestic consolidated companies |   |
| Category 7 Employee commuting                                | t-CO <sub>2</sub> e | 1,607     | Domestic consolidated companies |   |
| Category 8 Upstream leased assets                            | t-CO <sub>2</sub> e | 557       | Morinaga & Co., Ltd.            |   |
| Category 9 Downstream transportation and distribution        | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 10 Processing of sold products                      | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 11 Use of sold products                             | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 12 Disposal of sold products                        | t-CO <sub>2</sub> e | 6,603     | Domestic consolidated companies |   |
| Category 13 Downstream leased assets                         | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 14 Franchises                                       | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 15 Investments                                      | t-CO <sub>2</sub> e | -         | -                               | Not applicable  |
| Category 16 Other (upstream)                                 | t-CO <sub>2</sub> e | -         | -                               | Not evaluated   |
| Category 17 Other (downstream)                               | t-CO <sub>2</sub> e | -         | -                               | Not evaluated   |

### Energy

|  | Unit                                  | FY2018/3             | FY2019/3 | FY2020/3 | Scope  |  |
|--|---------------------------------------|----------------------|----------|----------|--------|--|
| Energy consumption                             | Crude oil equivalent                  | kl                   | 35,395   | 36,213   | 35,505 | Morinaga Group's production bases in Japan |
|  | Basic unit (per manufacturing weight) | kl/t                 | 0.30     | 0.30     | 0.30   |  |
|  | Electricity                           | 10,000 kWh           | 9,937    | 10,107   | 9,939  |  |
|  | City gas                              | 1,000 m <sup>3</sup> | 9,079    | 9,434    | 9,221  |  |
|  | LPG                                   | t                    | 13       | 11       | 11     |  |
|  | Fuel oil                              | kl                   | 0        | 0        | 0      |  |
|  | Kerosene                              | kl                   | 2        | 3        | 3      |  |
| Recyclable energy consumption                  | Crude oil equivalent                  | kl                   | 0        | 0        | 0      |  |
| Total recyclable energy purchased or generated | Crude oil equivalent                  | kl                   | 0        | 0        | 0      |  |

### Resources and waste

|   | Unit                   | FY2018/3 | FY2019/3 | FY2020/3 | Scope  |  |
|---|------------------------|----------|----------|----------|--------|--|
| Amount of raw materials consumption                               | Primary raw material   | t        | 46,665   | 42,460   | 41,342 | Morinaga Group's production bases in Japan |
|   | Secondary raw material | t        | 46,276   | 52,901   | 49,883 |  |
| Amount of materials consumption                                   | Paper                  | t        | 16,397   | 14,350   | 14,175 |  |
|   | Cardboard              | t        | 8,722    | 9,041    | 8,004  |  |
|   | Plastic                | t        | 4,247    | 5,094    | 4,648  |  |
|   | Glass                  | t        | 0        | 0        | 0      |  |
|   | Steel                  | t        | 0        | 0        | 0      |  |
|   | Aluminum               | t        | 721      | 875      | 1,091  |  |
|   | Others                 | t        | 46       | 153      | 133    |  |
| Waste emissions   | t                      | 9,843    | 9,716    | 9,556    |        |  |
| Recycling volume  | t                      | 9,840    | 9,712    | 9,553    |        |  |
| Recycling rate  | %                      | 99.97    | 99.96    | 99.97    |        |  |
| Final landfill volume   | t                      | 3        | 4        | 3        |        |  |
| NOx emissions   | t                      | 29       | 38       | 36       |        |  |
| SOx emissions   | t                      | 0        | 0        | 0        |        |  |
| Number of products using environmentally-friendly paper materials | Number of products     | 0        | 1        | 19       |        |  |

|                 | Unit | FY2018/3 | FY2019/3 | FY2020/3 | Scope                                      |
|-----------------|------|----------|----------|----------|--|
| Waste emissions | t    | -        | 515      | 616      | Morinaga Group's production bases overseas |

### Water

|                            | Unit                 | FY2018/3 | FY2019/3 | FY2020/3 | Scope                                      |
|----------------------------|----------------------|----------|----------|----------|--|
| Water resource consumption | 1,000 m <sup>3</sup> | 1,530    | 1,504    | 1,538    | Morinaga Group's production bases in Japan |
| Waste water volume         | 1,000 m <sup>3</sup> | 1,039    | 1,080    | 1,341    |  |

|                            | Unit                 | FY2018/3 | FY2019/3 | FY2020/3 | Scope                                      |
|----------------------------|----------------------|----------|----------|----------|--|
| Water resource consumption | 1,000 m <sup>3</sup> | -        | 159      | 148      | Morinaga Group's production bases overseas |

### Environmental management

|                                    | Unit          | FY2018/3 | FY2019/3 | FY2020/3 | Scope   |
|------------------------------------|---------------|----------|----------|----------|---|
| Number of ISO 14001 certifications | certification | 1        | 1        | 1        | We acquired the certification using the multi-site approach which combines our own factories, affiliated production companies, and the headquarters' integration secretariat. |

### Compliance (environment)

|  | Unit  | FY2018/3 | FY2019/3 | FY2020/3 | Scope                                      |
|--|-------|----------|----------|----------|--|
| Number of times fined for environmental violations | Times | 0        | 0        | 0        | Morinaga Group's production bases in Japan |
| Environmental violation fine amount                | yen   | 0        | 0        | 0        |  |

## Society

### • Policy

|                     |  |
|---------------------|--|
| Human Rights Policy | "Morinaga Group Human Rights Policy" <a href="https://www.morinaga.co.jp/company/english/about/governance.html">https://www.morinaga.co.jp/company/english/about/governance.html</a> |
|---------------------|--|

### • Customers

|                              |   |
|------------------------------|---|
| Customer policy              | "Basic Policy for Customer Satisfaction" aligned with ISO 10002 <a href="https://www.morinaga.co.jp/contact/service.html">https://www.morinaga.co.jp/contact/service.html</a>   |
| Responsible marketing policy | Included in "Morinaga Group Code of Conduct" and "Morinaga Group Standards of Behavior" <a href="https://www.morinaga.co.jp/company/english/about/vision.html">https://www.morinaga.co.jp/company/english/about/vision.html</a> |

| Customer feedbacks received by Customer Service Center | Unit    | FY2018/3 | FY2019/3 | FY2020/3 | Scope                |
|--|---------|----------|----------|----------|----------------------|
| Inquiries and opinions                                 | contact | 33,861   | 32,804   | 31,658   | Morinaga & Co., Ltd. |
| Complaints   | contact | 5,579    | 5,413    | 4,593    |                      |
| Total  | contact | 39,440   | 38,217   | 36,251   |                      |

### • Employee

|                                       |   |
|---------------------------------------|---|
| Basic human resources policy          | Included in "Handbook of Human Resources System"      |
| Occupational safety and health policy | Included in "Health and Safety Management Regulation" |

|  | Unit                | FY2018/3     | FY2019/3     | FY2020/3     | Remarks  | Scope                |
|--|---------------------|--------------|--------------|--------------|--|----------------------|
| Number of full-time employees  | Female person (%)   | 317 (20.3)   | 332 (20.9)   | 343 (21.0)   | Includes seconded employees  | Morinaga & Co., Ltd. |
|  | Male person (%)     | 1,244 (79.7) | 1,254 (79.1) | 1,290 (79.0) |  |                      |
|  | Total person (%)    | 1,561 (100)  | 1,586 (100)  | 1,633 (100)  |  |                      |
| Number of temporary employees  | Female person (%)   | 195 (43.6)   | 194 (44.2)   | 208 (46.3)   | The number of directly-hired associate employees as of the end of the fiscal year  |                      |
|  | Male person (%)     | 252 (56.4)   | 245 (55.8)   | 241 (53.7)   |  |                      |
|  | Total person (%)    | 447 (100)    | 439 (100)    | 449 (100)    |  |                      |
| Average age  | Female years of age | 39.7         | 39.7         | 40.0         | Includes seconded employees  |                      |
|  | Male years of age   | 42.9         | 43.3         | 43.6         |  |                      |
|  | Total years of age  | 42.3         | 42.5         | 42.9         |  |                      |
| Average service years  | Female year(s)      | 17.3         | 17.1         | 17.1         | Includes seconded employees  |                      |
|  | Male year(s)        | 19.2         | 19.5         | 19.4         |  |                      |
|  | Total year(s)       | 18.8         | 19.0         | 18.9         |  |                      |
| Number of regular employees working at domestic affiliated companies             | Female person (%)   | 210 (32.1)   | 224 (33.6)   | 234 (34.8)   | Excludes employees seconded from Morinaga & Co., Ltd.  |                      |
|  | Male person (%)     | 444 (67.9)   | 443 (66.4)   | 439 (65.2)   |  |                      |
|  | Total person (%)    | 654 (100)    | 667 (100)    | 673 (100)    |  |                      |
| Number of temporary employees working at domestic affiliated companies           | Female person (%)   | 828 (77.5)   | 835 (76.1)   | 769 (79.0)   | Including reemployed employees (rehires plus temporary employees)  |                      |
|  | Male person (%)     | 240 (22.5)   | 262 (23.9)   | 205 (21.0)   |  |                      |
|  | Total person (%)    | 1,068 (100)  | 1,097 (100)  | 974 (100)    |  |                      |
| Number of new recruits   | Female person (%)   | 17 (48.6)    | 19 (35.8)    | 35 (70.0)    | Including new graduates and career-track employees   |                      |
|  | Male person (%)     | 18 (51.4)    | 34 (64.2)    | 15 (30.0)    |  |                      |
|  | Total person (%)    | 35 (100)     | 53 (100)     | 50 (100)     |  |                      |
| Number of new recruits by domestic affiliates                                    | Female person (%)   | 21 (39.6)    | 19 (31.1)    | 37 (54.4)    |  |                      |
|  | Male person (%)     | 32 (60.4)    | 42 (68.9)    | 31 (45.6)    |  |                      |
|  | Total person (%)    | 53 (100)     | 61 (100)     | 68 (100)     |  |                      |
| Turnover rate (of new graduates resigned after less than three years of service) | %                   | -            | 3.4          | 3.2          |  |                      |
| Employment rate of people with disabilities                                      | %                   | 2.44         | 2.53         | 2.79         | Ending of each fiscal year (as of March 31)  |                      |
| Number of female managers  | person              | 25           | 33           | 43           | Beginning of each fiscal year (as of April 1)  |                      |
| Ratio of female managers   | %                   | 5.2          | 6.7          | 7.7          |  |                      |
| Ratio of female Directors  | %                   | 9.1          | 20.0         | 22.2         |  |                      |
| Number of employees taking childcare leave                                       | Female person (%)   | 18 (69.2)    | 13 (65.0)    | 16 (48.5)    | Based on the date when childcare leave commenced (including seconded employees and associated employees)                               |                      |
|  | Male person (%)     | 8 (30.8)     | 7 (35.0)     | 17 (51.5)    |  |                      |
|  | Total person (%)    | 26 (100)     | 20 (100)     | 33 (100)     |  |                      |
| Reinstatement rate   | %                   | 95.7         | 100          | 100          |  |                      |
| Number of employees utilizing shorter work hour system for childcare             | Female person (%)   | 21 (100)     | 24 (100)     | 26 (100)     | Number of regular employees who fall under the category as of the end of each fiscal year  |                      |
|  | Male person (%)     | 0 (0.0)      | 0 (0.0)      | 0 (0.0)      |  |                      |
|  | Total person (%)    | 21 (100)     | 24 (100)     | 26 (100)     |  |                      |
| Number of employees wishing to be reemployed after retirement                    | person              | 34           | 76           | 72           |  |                      |
| Reemployment rate of post retirement employees                                   | %                   | 85.0         | 93.0         | 89.0         |  |                      |
| Average overtime hours (per employee)  | hours/month         | 16.2         | 16.8         | 15.1         |  |                      |
| Days of annual paid leave acquired   | day                 | 11.8         | 12.3         | 12.6         |  |                      |
| Annual paid leave acquisition rate   | %                   | 93.0         | 96.1         | 94.7         |  |                      |
| Number of employees using nursing care leave                                     | person              | 0            | 0            | 1            |  |                      |
| Ratio of union members   | %                   | 100          | 100          | 100          | Counted regular employees only   |                      |
| Rate of stress check implementation  | %                   | 100          | 100          | 100          |  |                      |
| Percentage of employees participating in health checkups                         | %                   | 100          | 100          | 100          |  |                      |
| Rate of frequency  | -                   | 3.07         | 2.02         | 1.05         | Rate of frequency of employees taking leave from work due to work-related injuries per million actual work hours at domestic factories |                      |
| Number of fatal occupational accidents   | person              | 0            | 0            | 0            |  |                      |

## Governance

### • Corporate governance

|  | Unit                | FY2018/3          | FY2019/3  | FY2020/3 | Scope    |                      |
|--|---------------------|-------------------|-----------|----------|----------|----------------------|
| Number of Directors                                    | Internal            | Female person (%) | 0 (0.0)   | 1 (12.5) | 1 (14.3) | Morinaga & Co., Ltd. |
|  |                     | Male person (%)   | 9 (100)   | 7 (87.5) | 6 (85.7) |                      |
|  |                     | Total person (%)  | 9 (100)   | 8 (100)  | 7 (100)  |                      |
|  | Independent Outside | Female person (%) | 1 (50.0)  | 1 (50.0) | 1 (50.0) |                      |
|  |                     | Male person (%)   | 1 (50.0)  | 1 (50.0) | 1 (50.0) |                      |
|  |                     | Total person (%)  | 2 (100)   | 2 (100)  | 2 (100)  |                      |
|  | Grand total         | Female person (%) | 1 (9.1)   | 2 (20.0) | 2 (22.2) |                      |
|  |                     | Male person (%)   | 10 (90.9) | 8 (80.0) | 7 (77.8) |                      |
|  |                     | Total person (%)  | 11 (100)  | 10 (100) | 9 (100)  |                      |
| Number of Statutory Auditors                           | Internal            | Female person (%) | 0 (0.0)   | 0 (0.0)  | 0 (0.0)  |                      |
|  |                     | Male person (%)   | 2 (100)   | 2 (100)  | 1 (100)  |                      |
|  |                     | Total person (%)  | 2 (100)   | 2 (100)  | 1 (100)  |                      |
|  | Independent Outside | Female person (%) | 0 (0.0)   | 0 (0.0)  | 0 (0.0)  |                      |
|  |                     | Male person (%)   | 2 (100)   | 2 (100)  | 3 (100)  |                      |
|  |                     | Total person (%)  | 2 (100)   | 2 (100)  | 3 (100)  |                      |
|  | Grand total         | Female person (%) | 0 (0.0)   | 0 (0.0)  | 0 (0.0)  |                      |
|  |                     | Male person (%)   | 4 (100)   | 4 (100)  | 4 (100)  |                      |
|  |                     | Total person (%)  | 4 (100)   | 4 (100)  | 4 (100)  |                      |
| Number of times Board of Directors meetings held       | Times               | 16                | 17        | 16       |          |                      |
| Attendance rate for Board of Directors meetings        | %                   | 98                | 99        | 100      |          |                      |
| Number of times Board of Auditors meetings held        | Times               | 21                | 21        | 21       |          |                      |
| Percentage of attendance at Board of Auditors meetings | %                   | 100               | 99        | 100      |          |                      |
| Remuneration for internal Directors*                   | million yen         | 293               | 237       | 169      |          |                      |
| Remuneration for Auditors                              | million yen         | 51                | 51        | 48       |          |                      |
| Remuneration for Outside Directors                     | million yen         | 22                | 20        | 20       |          |                      |

\* Excluding employee-portion salaries for employee-directors

### • Compliance

|  |   |
|--|---|
| Code of Ethics                                 | Included in "Morinaga Group Code of Conduct" and "Morinaga Group Standards of Behavior" |
| Anti-Corruption Policy                         | Included in "Morinaga Group Code of Conduct" and "Morinaga Group Standards of Behavior" |
| Bribery Policy                                 | Included in "Morinaga Group Code of Conduct" and "Morinaga Group Standards of Behavior" |
| Whistleblower Protection Policy                | Included in work regulations  |
| Policy regarding Conflicts of Interest         | Included in the Rules of Decision-Making Criteria                                       |
| Related-Party Transaction Policy for Directors | Included in the Rules of Decision-Making Criteria                                       |

|   | Unit      | FY2018/3 | FY2019/3 | FY2020/3           | Scope                |
|---|-----------|----------|----------|--------------------|----------------------|
| Number of cases of anti-corruption violations | violation | 0        | 0        | 0                  | Morinaga & Co., Ltd. |
| Amount of anti-corruption violation penalties | yen       | 0        | 0        | 0                  |                      |
| Number of regulatory violations               | violation | 0        | 0        | 1 (recommendation) |                      |
| Legal violation fine amount                   | yen       | 0        | 0        | 0                  |                      |