

Initiative to Realize a Sustainable Society

Medium-Term Targets Set to Sustainably Procure 100%* of Cacao Beans, Palm Oil, and Paper

Morinaga & Co., Ltd. (TYO 2201) today announced new medium-term targets for procuring 100 percent of its cacao beans, palm oil, and paper (for product packaging) from sustainable sources, in order to contribute to realizing a sustainable society through food.

The Company was already making efforts to realize a sustainable society through food and resolve social issues through its business activities by pursuing initiatives such as choosing FSC®-certified paper when procuring raw materials, and biomass plastics and inks, and reducing its use of plastics.

The Company considers its key tasks as a food manufacturer to be delivery of safe, reliable products to customers and procurement of sustainable raw materials that are not harmful to the global environment or society. Accordingly, it has now set medium-term targets for its products in Japan.

The Company will continue coordinating and collaborating with its stakeholders to pursue sustainable procurement throughout its supply chains.

Sustainable Raw Material Procurement: Medium-Term Targets*

◆ **Cacao beans**

Procure 100% of cacao beans from sustainable sources by FY 2025

◆ **Palm oil**

Procure 100% of palm oil from sustainable sources by FY 2023

◆ **Paper**

Procure 100% of paper (for product packaging) from sustainable sources by FY 2022



* Targets are for Morinaga & Co., Ltd. products in Japan

◆ **Cacao beans: Procure 100% of cacao beans from sustainable sources by FY 2025**

Cacao beans, a key raw material for chocolate, are associated with a range of social issues including poor working conditions for cacao farmers, poverty, child labor, and global warming due to deforestation. During FY 2020 (the fiscal year ending March 31, 2021), the Company started using certified cacao beans (Cocoa Horizons¹-certified cacao supplied by the Barry Callebaut Group) in some of its chocolate products. These certified cacao beans contribute to resolving the social issues described, facilitating sustainable procurement. The Company aims to switch 100 percent of the cacao beans used in its products in Japan to beans from sustainable sources by FY 2025 (the fiscal year ending on March 31, 2026).

1. Cocoa Horizons

<https://www.cocoa Horizons.org>

Cocoa Horizons is a non-profit program run by the Cocoa Horizons Foundation, an NPO whose vision is to promote the prosperity of cacao farmers by building self-sustaining communities that protect nature and children. By using cacao raw materials that meet the Cocoa Horizons Foundation's certification standards, the Company can contribute to cacao farmer prosperity, reduced deforestation and CO₂ emissions, and the eradication of child labor.

◆ **Palm oil: Procure 100% of palm oil from sustainable sources by FY 2023**

Although palm oil is used in a wide range of products including processed foods and detergents, environmental destruction and human rights problems in producing regions have become social issues. Like other companies, the Company uses palm oil in many of its products, and regards it as necessary to switch to certified palm oil (e.g., RSPO²-certified) that contributes to sustainable procurement. The Company aims to switch 100 percent of the palm oil used in its products in Japan to palm oil from sustainable sources by FY 2023 (the fiscal year ending on March 31, 2024).

2. RSPO (Roundtable on Sustainable Palm Oil)

<https://rspo.org/>

◆ **Paper: Procure 100% of paper (for product packaging) from sustainable sources by FY 2022**

Japan relies on imports for around 70 percent of the paper raw materials it uses, and the incorporation of illegal timber products into these raw materials has become an issue. The Company aims to help prevent global warming by making effective use of timber resources that are not associated with illegal logging or destruction of ecosystems, and are not harmful to the environment or local communities. To that end, it has started environmentally conscious procurement of raw materials such as FSC^{®3}-certified paper⁴ and recycled paper. The Company aims to switch 100% of the paper (for product packaging⁵) used in its products in Japan to paper from sustainable sources by FY 2022 (the fiscal year ending on March 31, 2023).

3. FSC[®] (Forest Stewardship Council[®]): An international NPO that works to ensure that forests are used appropriately and protected

<https://www.fsc.org/en>

4. FSC[®]-certified paper: Paper made of raw materials from managed sources of supply, including raw materials that have been assessed and certified as deriving from forests where forest management and logging are controlled appropriately to preserve ecosystems as a means of environmental conservation

5. Paper (for product packaging) refers to container wrapping paper and packaging material.

◆ **Reference: Morinaga & Co., Ltd.'s initiatives to procure sustainable raw materials (during 2020)**

◇ The Company starts using Cocoa Horizons-certified cacao (news release posted on English-language website on September 8, 2020)

<https://www.morinaga.co.jp/public/newsrelease/web/fix/file5f57072bbee5b.pdf>

◇ The Company reduces plastic used for *in Jelly* packaging and starts using biomass ink (news release posted on English-language website on February 17, 2020)

<https://www.morinaga.co.jp/public/newsrelease/web/fix/file5e4a2e5317b4c.pdf>