[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
› Basic Approach
› System
› KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Health and Nutrition

Basic Approach

We offer health and nutrition by developing and selling products that combine functionality and good taste to realize "Ever Brighter Smiles."

Morinaga Milk recognizes that its core business is the development and sale of products that contribute to health and nutrition for extending healthy longevity and the healthy development of infants.

Health and nutrition are closely tied to Morinaga Milk's commitment to contribute to people's happy lives filled with healthy "smiles." Over the years, Morinaga Milk has explored the benefits and possibilities with research into proprietary nutritious and functional ingredients such as bifidobacteria and lactoferrin, which began with in-house research on the role that breast milk plays in babies' health.

Morinaga Milk's various products, from infant and toddler milk to specialty milk as well as yogurt, foods for medical and elderly care, have helped to improve health and bring smiles to people.

Looking ahead, the corporate goal is to contribute to the health of various people both in and outside of Japan. Morinaga Milk will continue to tackle challenges toward this end.

System

Morinaga Milk Sustainability Committee meetings, which are chaired by the president, are held twice a year for monitoring and reporting on the progress of KPIs. In addition, Morinaga Milk implements PDCA cycles, with the general managers of the relevant divisions responsible for "Priority Issue: Health and Nutrition" and the general managers of the relevant departments responsible for promoting KPIs.

Based on the recognition that health and nutrition represent our core business, company research institutes, Marketing Department, Sales Department, and Manufacturing Department work together as a team to promote our initiatives in health and nutrition.

KPIs

Direction of Activities	KPIs	Progress Details for KPIs
Contribute to the extension of healthy lifespans	Launch of products incorporating nutritious functional ingredients	Launch of products that support self-management of health • Expansion of products for meeting protein needs: Increased protein content for the *in PROTEIN* protein drink and *Greek Yogurt PARTHENO Plain* (without sugar) • Expansion of foods with function claims, such as *Bifidus Yogurt Improves Bowel Movement*, which contains Bifidobacterium longum BB536 for improved bowel movement, and *Maiasa Soukai Light*, which contains lactulose to help increase bifidobacteria in the gut. (▶p. 28)
	Share information on nutritious and functional ingredients that help to maintain health	Start of a full-fledged health seminar business with health support nutritionists, "Kenko Support Eiyoushi," that supports "happy healthfulness" • This Bifidobacteria Training Project promotes improvement of consumer health awareness and behavioral change by disseminating health information on bifidobacteria. (▶p. 29) 15 research treatises/information on extending healthy life expectancy released at symposiums, exhibitions, etc. (▶p. 30) 55 releases of recipes and other information
Contribute to the healthy growth of babies and infants	Provide Bifidobacterium breve M-16V; continue to provide to over 120 facilities in Japan and overseas	Providing Bifidobacterium Breve M-16V to Low Birth Weight Babies around the World • Supplied over 150 facilities such as newborn intensive care units (NICUs) in Japan and overseas (▶p. 32)

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Contributing to Extending Healthy Longevity

Morinaga Milk is pursuing product R&D under the theme of extending healthy longevity for an era when people will commonly live to the age of 100. The company will research and develop products using nutritious and functional ingredients and supply them to consumers so that people can have healthier and more active lives.

Bifidus Yogurt (Foods for Specified Health Uses)



Fifty years ago, Bifidobacterium longum BB536 was discovered from the large intestine of a baby.

Bifidus Yogurt includes not only lactobacillus but also Bifidobacterium longum BB536, which reaches the large intestine.

With low acidity that results in a mellow flavor, this yogurt supports everyday health.

Bifidus Yogurt Improves Bowel Movement (Foods with Function Claims)



A food with function claims containing 2 billion Bifidobacterium longum BB536. This strain of bifidobacteria has been reported to improve the environment in the large intestine, improving bowel movements for people who tend toward constipation.

Triple Yogurt (Foods with Function Claims)



This yogurt displays three functionalities in lowering and stabilizing blood pressure, blood sugar and triglyceride levels. Tripeptide MKP® lowers high systolic pressure, while the indigestible dextrin (dietary fiber) stabilizes the blood sugar and triglyceride levels after a meal.

Foods for Medical and Elderly Care

The Morinaga Milk Group carefully researches and develops foods for medical and elderly care in terms of taste, nutritional value, safety, and ease of eating, so that the elderly and people with illnesses can maintain their quality of life while experiencing the joy of food.

Using the opinions of medical and nursing care professionals, Clinico Co., Ltd. (a company within the Morinaga Milk Group) and Morinaga Milk's institute work together to develop and market foods for medical and elderly care. This includes liquid foods, nutritional supplement foods (drinks, jellies, etc.), probiotic foods, and thickening products.



[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Disseminating Information on Nutritious and Functional Ingredients, Our Research Findings, etc.

The Morinaga Milk Group disseminates information, including the results of our research on nutritious and functional ingredients, to our customers and various stakeholders such as suppliers.

Bifidobacteria Training Project

Started in June 2020, this project incorporates knowledge, food, exercise, and the mind together with the idea of Bifidobacteria into daily life, aiming to create an improved large intestinal environment by addressing both body and mind.

The program welcomed top-level athletes Yuto Nagatomo (professional soccer player) and Kaho Minagawa and Chisaki Ooiwa (rhythmic gymnasts) to help communicate support for the intestinal environment and general health through Bifidobacteria.

Morinaga Milk is also developing a program for female university students to expand the base for this program from the perspective of nurturing the next generation.

We will continue to support everyone's health by communicating proper knowledge about Bifidobacteria and intestinal flora to those with an interest in a healthy life, as well as offer useful information for a healthy mind and body.



A Seminar Business with Nutritionists to Support "Happy Healthfulness"

Morinaga Milk Group is building a foundation for a next-generation healthcare business with the theme of "healthy and happy lives for all generations." With this endeavor, the Group aims to provide products and services that address health issues from a longer-term perspective through the use of digital and e-commerce channels.

As part of this effort, in January 2021 we started a health seminar service with nutritionists, "Kenko Support Eiyoushi," in which specially trained nutritionists provide hints on how to live happily and healthfully each day. This seminar service provides companies promoting health management, local governments, and educational groups with health-related information on the intestinal flora, immunity, protein, etc.

In FY 2020, the program held seminars for about 8,000 participants at outside companies and health seminars for about 1,700 participants within the Morinaga Milk Group.

In the future, Morinaga Milk will continue to provide information cultivated from more than half a century of research on health through these easy-to-understand "happy healthfulness" seminars.

morinaga 笑顔の毎日をいっしょに。健幸サポート栄養士



[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
› Contributing to Extending Healthy Longevity
› Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Symposiums and Exhibitions
(In Japan)

In FY 2020, Morinaga Milk made 25 academic conference presentations and submitted 51 papers, even though many such conferences were cancelled or postponed due to the spread of COVID-19.

In February 2021, Morinaga Milk received the President's Award of the Third Japan Open Innovation Prize from the Science Council of Japan. This award was received for our project on maternal and child health with the Hokkaido University COI in Iwamizawa City, which resulted in a reduction of low birth weight babies. This project is part of the government's Center of Innovation (COI) initiative, which aims to encourage innovative collaborations among academia, industry and government.


Receiving the Science Council of Japan President's Award

The Matsumoto Junior College Endowed Course, which began June 2019, is again promoting the following three initiatives this fiscal year.

(1) In cooperation with Matsumoto City and MATSUMOTO JUNIOR COLLEGE, Morinaga Milk will proactively hold public lectures, etc. to raise health awareness among the general public.
(2) Provide a learning program for MATSUMOTO JUNIOR COLLEGE students for understanding the effects of food in health promotion.
(3) Collaboratively verify the effects of Morinaga Milk's proprietary ingredients on health promotion, establish reliable evidence, and communicate the results obtained in the process.

(Outside Japan)

Because of the COVID-19 global pandemic in 2020, all overseas symposiums and exhibitions were cancelled.

Faced with the need to drastically review our methods for disseminating information, Morinaga Milk worked with overseas partner companies to disseminate information via webinars and virtual exhibitions, as well as through SNS.

We exhibited online at Vitafoods Europe Virtual Expo in September 2020. This exhibition is the first and only dietary supplement–related virtual event in Europe, during which we shared information about our probiotic products in collaboration with MILEI, even though they were affected by COVID-19. At the Nutra Ingredients-Asia Awards sponsored by Nutra Ingredients-Asia.com, we received the Infant and Child Nutrition Initiative of the Year award for the second consecutive year.

Through such activities, Morinaga Milk strives to expand awareness of human-derived bifidobacteria and lactic-acid bacilli, and their benefits.


Received the Infant and Child Nutrition Initiative Award for the second consecutive year

Contributing to the Healthy Growth of Babies and Infants

Morinaga Milk began researching and developing infant and toddler milk in the 1920s with the commitment to contribute to the healthy growth and development of infants. Over the years, the company engaged in research of infant and toddler milk that combines lactoferrin, etc. with nutritional elements such as protein, fats, carbohydrates, vitamins, and minerals in order to provide products as close to mother's milk as possible.

In recent years, Morinaga Milk has developed its infant and toddler milk business mainly in Asia in order to contribute to the healthy growth and development of children not only in Japan, but also in other parts of the world.

Looking ahead, Morinaga Milk will continue its research and development on the nurturing and protective powers of breast milk.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Contributions to Building Nutritional Infrastructure in Asia

Emerging countries mainly in Southeast Asia are experiencing rapid population growth and urbanization. The more population concentrates in cities, the more important it is to build nutritional infrastructure to supply safe and high-quality foods. Playing an active role in solving this issue represents the social mission of Morinaga Milk as a food company.

Morinaga Milk considers the supply of infant and toddler milk as part of this nutritional infrastructure. The company manufactures infant and toddler milk at product bases in Japan and overseas, including Indonesia, and supplies products to markets in Indonesia, Pakistan, Malaysia, Vietnam, etc. Based on our Breast-Milk Substitutes (BMS) Marketing Policy, Morinaga Milk aims to create an environment in which children around the world can grow healthily.

REPORT ▶Please see the "Breast-Milk Substitutes (BMS) Marketing Policy" section (p. 94) for details.

Overseas Launch of Infant and Toddler Milk



Topics

Sale and Manufacture of Infant Powdered Milk Products at NutriCo Morinaga

Morinaga Milk has been exporting infant formula milk and other products to Pakistan for more than 40 years and selling them through a local distributor. In March 2017, a new joint venture with Morinaga Milk, ICI Pakistan Limited and Unibrands (Private) Limited was established to locally manufacture and sell these products. This joint venture, NutriCo Morinaga (Private) Limited, built a plant and began operating in November 2019. NutriCo Morinaga continues to import milk products as before, but also domestically manufactures its own products for consumers in Pakistan. The company will provide safe, reliable and high-quality products to more consumers in Pakistan, contributing to their health.



NutriCo Morinaga

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Providing Bifidobacterium Breve M-16V to Low Birth Weight Babies around the World



Normally, bifidobacteria is predominant among the intestinal flora of healthy babies. However, very low birth weight babies or super low birth weight babies with a birth weight of less than 1,500 g have delayed colonization of bifidobacteria, resulting in an increase in E. coli and S. aureus. Morinaga Milk is now pursuing joint research with hospitals and universities in the field. By administering our proprietarily developed Bifidobacterium breve M-16V to very low birth weight babies or super low birth weight babies, it was found that intestinal flora good for bifidobacteria form more quickly, preventing dangerous health conditions in newborns such as necrotizing enterocolitis and septicemia.

Currently, Morinaga Milk provides M-16V to more than 150 facilities nationwide in Japan, including newborn intensive care units (NICUs) and pediatric wards, supporting the sound development of countless babies. In addition, the effects of Bifidobacterium breve M-16V on low birth weight babies have been reported overseas through academic societies and papers, and it has been used in NICUs in Australia since 2012. Furthermore, in recent years, use has begun at NICUs in New Zealand and Singapore. Morinaga Milk will continue to support the healthy growth of babies around the world.

Provision of Bifidobacterium Breve M-16V



	2016	2017	2018	2019	2020
Japan (packets)	171,000	197,000	210,000	236,000	229,000
Overseas (packets)	43,000	62,000	75,000	77,000	36,000

Note: For overseas, the posted figures are an aggregate for the January 1–December 31 period.

Japan's First* Follow-up Formula Containing Bifidobacteria



In 2020, Morinaga Milk celebrated its 100th anniversary of manufacturing infant and toddler milk and became the first company in Japan* to produce a follow-up formula (to supplement the nutrition that is often insufficient in weaning foods) with live Bifidobacterium breve M-16V and Bifidobacterium longum BB536. This follow-up formula also contains lactoferrin and three types of oligosaccharides to support the development of healthy bodies.

We will continue our research and development to further support the health of children from the perspective of the intestinal environment.

* According to research by Morinaga Milk Industry Co., Ltd. done via Mintel GNPD as of July 2020, for infant formula manufactured in Japan.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Specialty Milk

As a company that manufactures and sells infant and toddler milk, Morinaga Milk sells infant and toddler milk in Japan that can be consumed safely by children with milk allergies, and supplies medical institutions with specialty milk matched to the individual needs of children with congenital metabolic disorders.

Commercially Available Specialty Milk

Morinaga Milk supplies specialty milk for milk allergies, lactose intolerance, gastro-esophageal reflux and low birth weight babies.



Commercially Available Specialty Milk

Product Name	Characteristics
Morinaga New-MA-1	Milk for milk allergies, with highly digested proteins and significantly reduced allergenicity
Morinaga MA-mi	Milk for milk allergies with improved nutritional balance, flavor and solubility with reduced allergenicity
Morinaga Non-Lactose	Lactose-free milk for children with lactose intolerance, who experience diarrhea with general infant and toddler milk
Morinaga AR Milk	Milk for children prone to gastro-esophageal reflux disease with a higher milk viscosity using a naturally derived thickening ingredient (locust bean gum)
Morinaga GP-P*	Milk for low birth weight babies

* The product is directly delivered to hospitals and medical facilities.

Milk for Children with Congenital Metabolic Disorders or Other Diseases



Morinaga Milk supplies medical institutions, under the guidance of the Safety Development Committee*, with specialty milk that is a vital nutritional supplement for children with congenital metabolic disorders, etc.

Congenital metabolic disorders are a serious health condition. If identified in newborn babies at an early stage and food therapy is initiated, most children will grow properly. Therefore, milk for children with such conditions needs special processing to reduce certain components such as protein or phosphorous according to the individual child's conditions. Such specialty milk requires advanced manufacturing technologies, so the knowledge and experience of infant nutrition that Morinaga Milk has developed over many years is applied. In FY 2020, Morinaga Milk provided about 5,100 cans of specialty milk to around 180 children and patients.

* Safety Development Committee
The Specialty Milk Joint Safety Development Project was launched in 1980 under the guidance of the (then) Ministry of Health and Welfare with public funding in order to develop and improve, and provide a steady supply of specialty milk to treat children with congenital metabolic disorders. This project defines the specific criteria for specialty milk and its quality, ingredients, and method of use, as well as implements the development, improvement, and steady supply of the specialty milk. At the same time, the Safety Development Committee was established, consisting of academic experts and the directors of research organizations at specialty milk companies to ensure the smooth operation of the project.

Types of Specialty Milk for Children with Congenital Metabolic Disorders and Other Diseases

Category	Main Indications	Symbol	Name
Protein and amino acid metabolism disorders	Phenylketonuria	MP-11	Low phenylalanine peptide powder
Electrolyte metabolism disorders	Adrenocortical hypofunction	MM-2	Low potassium milk
	Heart and kidney diseases	MP-2	Low protein, low sodium milk
	Idiopathic hypercalcemia	MM-4	Low calcium milk
	• Hypoparathyroidism • Pseudohypoparathyroidism • Kidney disease	MM-5	Low phosphorus milk
Malabsorption	Deficiency in lipid absorption	ML-1	Low fat milk
Other	• Cystic fibrosis • Citrin deficiency	ML-3	Proteolytic MCT milk

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
› Contributing to the Healthy Growth of Babies and Infants
› Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Breast Milk Additive Powder



Breast milk additive powder is intended to reinforce the nutritional elements of breast milk for very low birth weight babies. Morinaga Milk provides HMS-1 and HMS-2.

Very low birth weight babies (who weigh less than 1,500 grams) tend to have complications such as underdeveloped physical functions for digestion and absorption. Such infants need to have adequate nutritional intake to quickly develop their physical functions. However, breast milk alone is relatively lacking in calories or various nutritional elements for such babies. HMS-1 and HMS-2 reinforce protein and trace elements such as calcium and phosphorous, which cannot be sufficiently provided by mother's breast milk alone, while HMS-2 provides increased calorific value, promoting faster development in babies. In FY 2020, Morinaga Milk sold around 15,000 boxes of HMS-1 and around 10,000 boxes of HMS-2, for a total of 25,000 boxes.

Note: HMS-1 is sold in 100 packets/box and HMS-2 in 60 packets/box

Enhancing Public Health

Contributing to Health with *PURESTER*

PURESTER, a slightly acidic electrolyzed water generator, is a hygiene control apparatus developed by Morinaga Milk that aims to have both high anti-bacterial effect and safety. In more than 20 years on the market, *PURESTER* has sold more than 7,500 units as of March 31, 2021.



Slightly acidic electrolyzed water generator
PURESTER μ-Clean II

PURESTER devices can generate hypochlorous acid water within the prescribed range needed for sterilization of food additives. Unlike the alcohol disinfectants and sodium hypochlorite commonly used for sterilization, *PURESTER* has been confirmed to have minimum effect on the skin and to be safe in various aspects. It has been verified having a bactericidal effect against various bacteria that cause food poisoning, and micro-organisms that threaten food hygiene, and is therefore an effective tool in places where hygiene management is required.



Contributes to maintenance of food hygiene

Customers who are already using *PURESTER* have provided highly positive feedback explaining that *PURESTER* water can be used easily in the same way as municipal water despite being a disinfectant, making *PURESTER* indispensable for on-site hygiene management.

Morinaga Milk is committed to providing its long-standing hygiene management technology to society to help protect the healthy lives of people. Continuing efforts are made to develop new and innovative ways to realize this commitment.

In addition, we put out a public call for "research to solve various social issues using slightly acidic electrolyzed water (hypochlorite water)." Morinaga Milk is actively working to contribute to society in collaboration with universities and research institutes. In FY 2020, we provided subsidies for one theme.

[Contents]

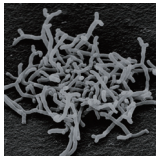
Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Morinaga Milk's Nutritious and Functional Ingredients

Morinaga Milk has been researching ingredients for maintaining health for over 50 years.

As a result, these ingredients were found to improve the health of people from all generations, from babies to the elderly.

Bifidobacteria



Morinaga Milk has a long history researching breast milk, infant nutrition, and intestinal flora for the healthy growth of infants. We discovered Bifidobacterium longum BB536 in 1969 and successfully used bifidobacteria in dairy products in 1971. Bifidobacteria are sensitive to acid and oxygen. However, it has been reported that, among the various bifidobacteria that live in the human intestinal tract, Bifidobacterium longum BB536 is resilient against acid and oxygen and reaches the large intestine alive.

Morinaga Milk maintains three strains, Bifidobacterium longum BB536, Bifidobacterium MCC1274 and Bifidobacterium breve M-16V, has published a wide range of research results on bifidobacteria, and is proud of being a bifidobacteria research pioneer in Japan. We develop a range of bifidobacteria products–not just such as yogurt but also supplements such as powdered bifidobacteria. Our technological know-how for keeping powdered bacteria alive and stable for long periods of time at room temperature is one of our major strengths.

The U.S. Food and Drug Administration (FDA) has affirmed Bifidobacterium longum BB536 and Bifidobacterium breve M-16V as GRAS (Generally Recognized As Safe) under its safety review system and these two strains are now used around the world, including the U.S., Europe, and Southeast Asia.

Main Bifidobacteria

Bifidobacterium longum BB536 reaches the large intestine and can be used for various health benefits such as excellent regulation of intestinal function by improving intestinal flora.

Bifidobacteria MCC1274 has the potential to improve cognitive function, and research into this bifidobacteria continues.

Bifidobacterium breve M-16V was developed for its function in promoting normalization of intestinal flora in infants. Administering it to low birth weight babies, who have premature intestinal function, speeds up colonization of bifidobacteria and promotes normal development of the intestines.

WEB Morinaga Milk's Bifidobacteria Research
▶ https://www.morinagamilk.co.jp/english/research/r_and_d/bifidobacteria/

Topics

Recognized as Safe for Baby Food in the U.S.

Bifidobacterium longum BB536 and Bifidobacterium breve M-16V have been certified as GRAS* for general foods and infant foods under the U.S. Food and Drug Administration (FDA) safety review system. Although Bifidobacterium longum BB536 was already recognized as GRAS for general foods; it was also recognized as GRAS for infant foods from December 2019. Morinaga Milk is the only Japanese company that has acquired GRAS for bifidobacteria (current as of May 19, 2021).

* GRAS (Generally Recognized as Safe)
For a food ingredient newly used in the U.S., specialists evaluate the safety of the ingredient as a food by considering its material characteristics, manufacturing processes, quality control, product specifications, actual use, clinical test results, etc. Since 1958, new food ingredients in the U.S. must be GRAS before they can be sold.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
Basic Approach
System
KPIs
Contributing to Extending Healthy Longevity
Contributing to the Healthy Growth of Babies and Infants
Enhancing Public Health
Morinaga Milk's Nutritious and Functional Ingredients
● Environment
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Lactoferrin



Morinaga Milk has been studying lactoferrin since the early 1960s. Lactoferrin is a protein found in the milk, tears, and saliva of many mammals and is believed to protect babies from a variety of infectious diseases. The name is derived from lacto (milk) and ferrin (iron) because of the protein's ability to easily bind with iron.

In terms of lactoferrin products, Morinaga Milk released an infant and toddler milk, called *Morinaga BF-L Dry Milk* in 1986. Today, Morinaga Milk sells lactoferrin products to support the daily health of people at all ages from babies to the elderly—from infant and toddler milk to lactoferrin yogurt and supplements.

WEB Morinaga Milk's Lactoferrin Research
▶https://www.morinagamilk.co.jp/english/research/ingredients/

Topics

MILEI: Manufacturing High-Quality Lactoferrin

MILEI GmbH, headquartered in Leutkirch, Germany (near the Swiss border) was founded in 1972. A half-century later, the company supplies milk materials such as whey protein, milk protein, lactose, and lactoferrin to manufacturers in Europe, Asia, and other parts of the world. MILEI has established a strong reputation among many users for its stable manufacturing and sales of high-purity lactoferrin since beginning such production in 1989. Interest in lactoferrin has been increasing worldwide in recent years. As the world's top manufacturer of lactoferrin*, we are actively working to further increase production to ensure a stable supply.

* From 2020 data from Absolute Reports.

Peptide



Cow's milk contains good quality protein, and is used in products such as infant and toddler milk. However, it cannot be used for babies with milk allergies. Therefore, Morinaga Milk developed a peptide (milk protein degradant) that has been digested by enzymes.

In 1977, Morinaga Milk released *MA-1*, containing peptide for babies and infants with allergies. In 1994, the company released another product called *Morinaga Peptide Milk E-Akachan*, which combines more than a half century of Morinaga Milk's technologies, knowledge and experience in the development of infant and toddler milk, especially for the allergenicity of milk.

Having focused on the physiological functionality of peptides in recent years, Morinaga Milk developed MKP® (methionine-lysine-proline), a casein-derived tripeptide (a peptide in which three amino acids are linked). It has been confirmed that MKP lowers blood pressure (systolic pressure) of adults with relatively high blood pressure and improves some cognitive function in persons with dementia.

WEB Morinaga Milk's Peptide Research
▶https://www.morinagamilk.co.jp/english/research/ingredients/

Lactulose



Lactulose is a saccharide made from the lactose contained in cow's milk. Morinaga Milk was a pioneer on the effects of lactulose in increasing bifidobacteria in the intestines, and launched the lactulose-containing infant and toddler milk *Morinaga G Dry Milk* in 1960. Lactulose is also widely used worldwide as a medicine for constipation.

WEB Morinaga Milk's Lactulose Research
▶https://www.morinagamilk.co.jp/english/research/ingredients/

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Environment

Basic Approach

We will manufacture safe and reliable products while striving to reduce energy use and cut waste and helping to create a sustainable society.

Morinaga Milk products are made from nature's rich bounty of agricultural products such as milk, coffee beans, tea leaves, and aloe. Protecting the environment and being thankful to nature for these gifts are essential to continued business.

To this end, it is absolutely necessary to address climate change, reduce food loss and industrial waste, curb the use of water and other resources through efficient use, use containers that take into consideration the recycling of plastic resources, and consider biodiversity. Morinaga Milk will also communicate closely with business partners to contribute to the creation of a sustainable society, not only within the company but throughout the supply chain.

Currently, the Morinaga Milk head office, research institutes, metropolitan regional office, the Order Control Center, plants under direct management (Chilled Products Coordination Center–East Japan and Chilled Products Coordination Center–West Japan), and production affiliates work under the ISO 14001 environmental management system in accordance with the following environmental policies.

REPORT ▶Please see the "Environmental Policy" section (p. 95) for details.

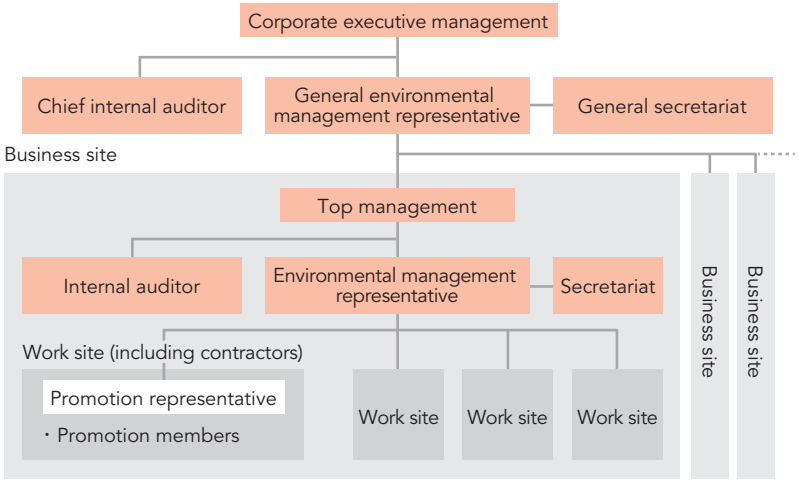
System

Morinaga Milk Sustainability Committee meetings, which are chaired by the president, are held twice a year for monitoring and reporting on the progress of KPIs.

In addition, Morinaga Milk implements PDCA cycles, with the general managers of the relevant divisions responsible for "Priority Issue: the Environment" and the general managers of the relevant departments responsible for promoting KPIs.

Additionally, in accordance with the ISO 14001 environmental management system, a management system was created that extends to each site/office, with the president and the general manager of the Sustainability Division overseeing the system. Each March, a report is made to top management.

ISO 14001 Environmental Management System



[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

KPIs

Morinaga Milk announced an ESG-focused management in its 2019 Business Plan for the Next Medium Term and established KPIs for the environment, which is one of seven priority issues.

Even before the announcement of the Business Plan for the Next Medium Term, however, Morinaga Milk had its own Medium-term Environmental Plan in place to advance its business activities while giving consideration to the environment.

As Morinaga Milk moves forward with this policy, the Medium-term Environmental Plan will be integrated with the KPIs of the Business Plan for the Next Medium Term and manage and disclose progress in these efforts.

Direction of Activities	KPIs	Progress Details for KPIs
Expand environmental activities, which had been centered on production divisions, to all consolidated companies and all divisions	**Business sites with ISO 14001 certification:** ensure that all consolidated company sites have earned this certification by FY 2030	Number of certified sites: 34 (as of March 31, 2021) (▶p. 39)
	Understand Scope 1 and 2 emissions for the entire Group by FY 2021	For domestic production sites, obtained a third-party warranty for Scopes 1 and 2 (▶p. 43)
Reduce environmental impacts from manufacturing processes	**Reduction of CO_2 emissions intensity:** 8% reduction by FY 2021 compared with the level in FY 2013 20% reduction by FY 2030 compared with the level in FY 2013 80% reduction by FY 2050 compared with the level in FY 2013	14.1% reduction by FY 2020 compared with the level in FY 2013 (▶p. 42)
	Reduction of food waste generation intensity: 30% reduction by FY 2021 compared with the level in FY 2013	27.1% reduction by FY 2020 compared with the level in FY 2013 (▶p. 46)
	Reduction of industrial waste emissions intensity: 33% reduction by FY 2021 compared with the level in FY 2013	30.0% reduction by FY 2020 compared with the level in FY 2013 (▶p. 46)
	Reduction of landfill waste: Reduction of annual emissions to less than 300t by FY 2021 Complete elimination of landfill waste by FY 2030	Reduction of annual emissions to 354t by FY 2020 (▶p. 46)
	Reduction of amount of water used: 9% reduction by FY 2021 compared with the level in FY 2013	6.2% reduction by FY 2020 compared with the level in FY 2013 (▶p. 48)
Reduce environmental impacts in the overall supply chain	Calculate 6 of 15 categories of Scope 3 emissions by FY 2021	Ten categories have been calculated. The remaining five categories were examined and classified into one category that includes items falling under Scopes 1 and 2, and four categories that have low relevance to our main business activities. (▶p. 43)
Promote use of environment-friendly packaging	**Weight of plastic packaging covered by the Containers and Packaging Recycling Law:** 10% reduction compared to FY 2013	15.4% reduction by FY 2020 compared with the level in FY 2013 (▶p. 50)

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Awareness of Environmental Risk

Since the Morinaga Milk Group is a food-based business, its business activities are impacted by its ability to readily obtain raw agricultural products affected by ongoing global warming, changes in customer preferences, the impact of weather disasters such as typhoons on manufacturing and distribution, strengthened regulations and other various factors.

Since FY 2019, the Group's basic environmental policy was revised to add the phrase "We assess and respond to not only the impact of our business activities to environment, but also the impact of the environment to our business activities."

In March 2021, we announced our endorsement of TCFD and are considering the implementation of the corresponding information disclosure.

Compliance with Environmental Laws and Regulations

For facilities such as wastewater treatment plants and boilers that could cause environmental pollution, the Morinaga Milk Group has compiled all legal requirements for each facility into a checklist to confirm that regulatory requirements are met. Moreover, these laws and regulations are checked once a year for revisions. A system for smoothly obtaining the necessary information through industry organizations was also established.

In FY 2020, the Group did not break any environmental laws or regulations and was not fined or punished for matters regarding wastewater quality/quantities of water used.

Expanding Environmental Activities Group-wide

Environmental Management System

The Morinaga Milk Group has obtained ISO 14001:2015 multi-site certification for its head office and research center, plants, and Group companies.

Sites with ISO 14001: 2015 certification (as of March 31, 2021)
Scope of certification: Production, R&D, and sales for milk, dairy products, ice cream, beverages, and other food products

- Head Office
  Head Office (Morinaga Plaza Building)
  Shiba 5-33-1, Minato-ku, Tokyo 108-8384
  Head Office (Meguro Building)
  Meguro 4-4-22, Meguro-ku, Tokyo 153-8657
  Head Office (Shibaura DF Building)
  Shibaura 3-13-8, Minato-ku, Tokyo 108-0023
- Research & Information Center
  Higashihara 5-1-83, Zama City, Kanagawa 252-8583
- Metropolitan Regional Office
  Konan 3-8-1, Minato-ku, Tokyo 108-0075
- Order Control Center
  2-8-1 Shinyokohama, Kohoku-ku, Yokohama City, Kanagawa 222-0033
- Saroma Plant
  Nishitomi 123, Saroma-cho-aza, Tokoro-gun, Hokkaido 093-0504
- Betsukai Plant
  Nishishunbetsu-kiyokawa-cho 18 , Betsukai-cho, Notsuke-gun, Hokkaido 088-2572
- Morioka Plant
  Aoyama 2-3-14, Morioka City, Iwate 020-0133
- Fukushima Plant
  Shimizuuchi 5, Fushiogami-aza, Fukushima City, Fukushima 960-8154
- Tone Plant
  Uchimoriya-machi 4013-1, Jousou City, Ibaraki 303-0043
- Tokyo Plant
  Okudo 1-29-1, Katsushika-ku, Tokyo 124-8577
  (ended production March 2021)
- Tokyo Tama Plant
  Tateno 4-515, Higashiyamato City, Tokyo 207-0021
- Yamato Plant
  Tateno 4-601, Higashiyamato City, Tokyo 207-0021
- Chilled Products Coordination Center – East Japan
  Tateno 4-540, Higashiyamato City, Tokyo 207-0021
- Manufacturing Technology Center (formerly the Engineering Development Center)
  Tateno 4-515, Higashiyamato City, Tokyo 207-0021
- Matsumoto Plant
  Kamada 2-1-4, Matsumoto City, Nagano 390-0837
- Fuji Plant
  Nakazatohigashi-cho 639, Fujinomiya City, Shizuoka 418-0046
- Chukyo Plant
  Nakanara-cho Hitotsume 1, Konan City, Aichi 483-8256

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
› Expanding Environmental Activities Group-wide
› Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

- Kobe Plant
  Mayafuto No. 3, Nada-ku, Kobe City, Hyogo 657-0854
- Chilled Products Coordination Center – West Japan
  Mayafuto No. 3, Nada-ku, Kobe City, Hyogo 657-0854
- Hokkaido Hosho Milk Plant Co., Ltd.
  Katsuraoka-cho 3-8, Otaru City, Hokkaido 047-0264
- Tokachi Urahoro Morinaga Milk Industry Co., Ltd.
  Zaimoku-cho 1, Urahoro-cho-aza, Tokachi-gun, Hokkaido 089-5607
- Tohoku Morinaga Milk Co., Ltd., Akita Plant
  Kamikaruishino 38-1, Iwase-aza, Odate City, Akita 018-3596
- Tohoku Morinaga Milk Co., Ltd., Sendai Plant
  Minato 1-1-9, Miyagino-ku, Sendai City, Miyagi 983-0001
- Nihon Seinyu
  Takanoichi 694-1, Nukanome-aza, Takahata-machi-oaza, Higashiokitama-gun, Yamagata 999-2176
- Chez Forêt Co., Ltd.
  Kamikoya 1355-31, Yachiyo City, Chiba 276-0022
- MK Cheese Co., Ltd.
  Ochiaikita 1-1-1, Ayase City, Kanagawa 252-1116
- Yokohama Morinaga Milk Industry Co., Ltd.
  Yoshiokahigashi 3-6-1, Ayase City, Kanagawa 252-1125
- Fuji Morinaga Milk Industry Co., Ltd.
  Nameri 18, Nagaizumi-cho, Sunto-gun, Shizuoka 411-0933
- Morinaga-Hokuriku Milk Industry Co., Ltd., Toyama Plant
  Mukaishinjo-machi 8-3-45, Toyama City, Toyama 930-0916
- Morinaga-Hokuriku Milk Industry Co., Ltd., Fukui Plant
  Takagi 2-601, Fukui City, Fukui 910-0805
- Hiroshima Morinaga Milk Industry Co., Ltd.
  Miiri 1-19-7, Asakita-ku, Hiroshima City, Hiroshima 731-0211
- Kumamoto Morinaga Milk Industry Co., Ltd.
  Kakize-machi 431-1, Higashi-ku, Kumamoto City, Kumamoto 861-8011
- Furijiport Co., Ltd., Kumamoto Plant
  Morikata-nitahata 1812-24, Kikuchi City, Kumamoto 861-1312
- Okinawa Morinaga Milk Co., Ltd.
  Agarizaki 4-15, Nishiharacho-aza, Nakagami-gun, Okinawa 903-0105

Framework for Implementing Environmental Management

Environmental Impact Assessment and Environmental Goals

The Morinaga Milk Group evaluates the magnitude of environmental impacts from its business activities as well as the risks and opportunities to its business activities from environmental changes such as global warming; KPIs are established as environmental goals.

These initiatives are incorporated into the targets for each business site, with progress managed on a monthly basis using an "implementation table."

Environmental Education

The Morinaga Milk Group carries out awareness and competency training for ISO 14001. Awareness training is provided to all employees at ISO 14001-certified sites as an e-learning program. Seminars at each site are also held to improve environmental knowledge and awareness among employees. Competence training is provided for employees engaged in environment-related work in order to maintain the necessary skills and knowledge. The Group also encourages the acquisition of professional qualifications and attendance at external courses.

Environmental Audits

Through internal audits, Morinaga Milk confirms whether it is implementing matters such as initiatives toward its environmental goals, compliance with environmental laws, and environmental education in an appropriate manner. There are two types of internal audits: those carried out at a business site by internal auditors employed at that site, and general internal audits by auditors from other sites.

Morinaga Milk has its own system for internal auditors, with four levels of competency. Auditors certified at Levels 3 and above serve as internal auditors (for one's own business site), while Level 1 auditors are qualified to act as general internal auditors (auditing other Morinaga Milk business sites). In FY 2020, the seminar for Level 3 auditors was held online 11 times and was completed by 158 employees. A total of 2,885 employees are certified for one of the four levels.

In FY 2020, general internal audits were held at 11 business sites by general internal (Level 1) auditors.

External Reviews

Environmental management system certification is outsourced to an external auditing organization, with an annual check done for adherence to ISO 14001 multi-site certification.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

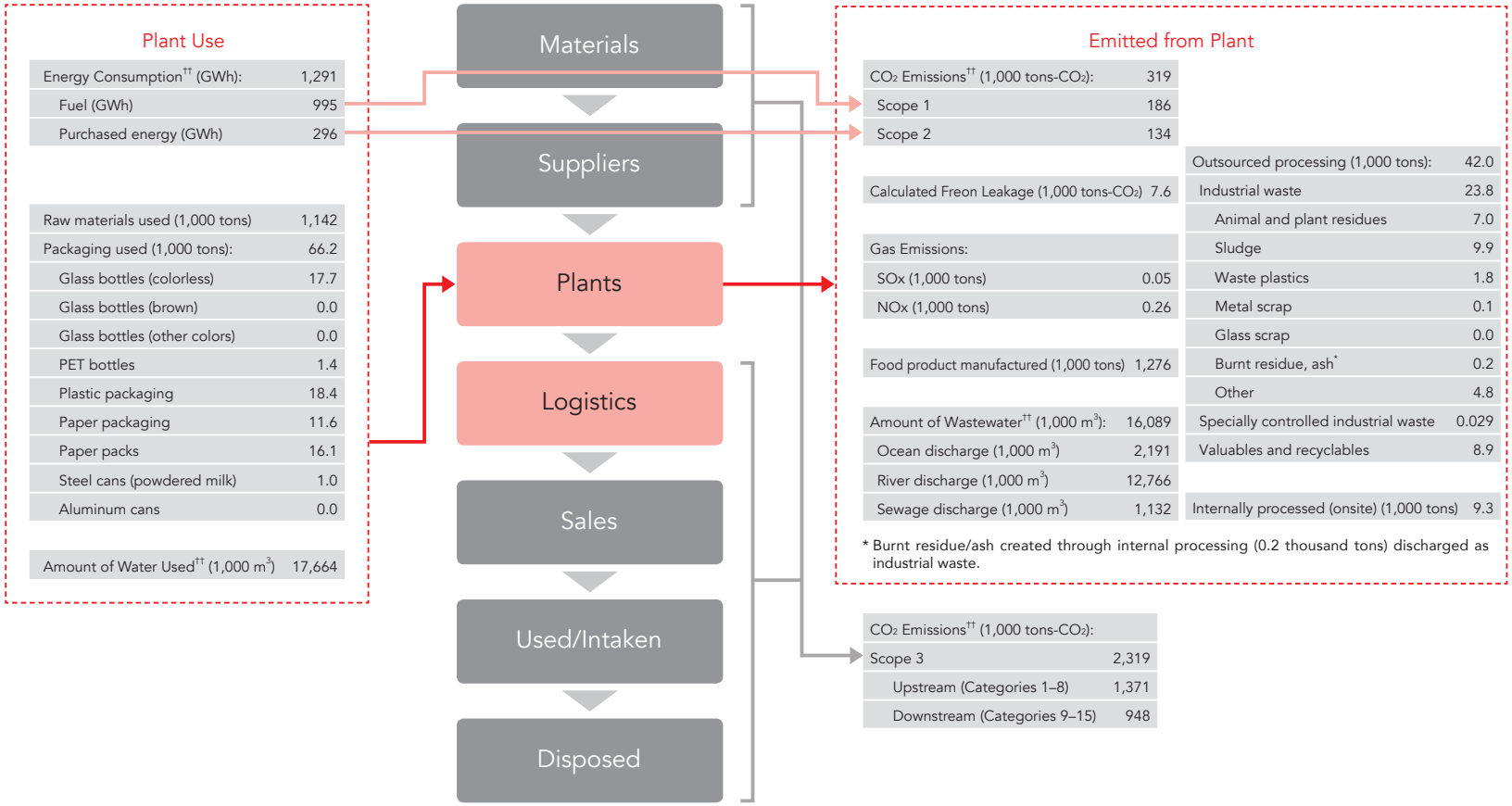
Third Party Assurance of Actual Data and Scope of Aggregation

Morinaga Milk Group has undergone third-party verification for its energy consumption and CO_2 emissions. For details, please refer to Third-Party Verification (→ p. 101).

† : Data that has undergone third-party verification is marked with a single asterisk.

†† : The scope of aggregation for data marked with two asterisks is as follows: Morinaga Milk Industry Co., Ltd. production sites, Hokkaido Hosho Milk Plant Co., Ltd., Tokachi Urahoro Milk Industry Co., Ltd., Nihon Seinyu, Yokohama Morinaga Milk Industry Co., Ltd., Fuji Morinaga Milk Industry Co., Ltd., Morinaga-Hokuriku Milk Industry Co., Ltd. (Fukui Plant, Toyama Plant), Hiroshima Morinaga Milk Industry Co., Ltd., Kumamoto Morinaga Milk Industry Co., Ltd., Okinawa Morinaga Milk Industry Co., Ltd., MK Cheese Co., Ltd., Chez Forêt Co., Ltd., Furijiport Co., Ltd. (Kumamoto Plant, Okinawa Uruma Plant), Tohoku Morinaga Milk Industry Co., Ltd. (Sendai Plant, Akita Plant), Toyo Fermented Milk Co., Ltd. (dissolved May 2020).

Environmental Load Overview (Material Flow)



Plant Use

Energy Consumption†† (GWh):	1,291
Fuel (GWh)	995
Purchased energy (GWh)	296
Raw materials used (1,000 tons)	1,142
Packaging used (1,000 tons):	66.2
Glass bottles (colorless)	17.7
Glass bottles (brown)	0.0
Glass bottles (other colors)	0.0
PET bottles	1.4
Plastic packaging	18.4
Paper packaging	11.6
Paper packs	16.1
Steel cans (powdered milk)	1.0
Aluminum cans	0.0
Amount of Water Used†† (1,000 m^3)	17,664

Emitted from Plant

CO_2 Emissions†† (1,000 tons-CO_2):	319
Scope 1	186
Scope 2	134
Calculated Freon Leakage (1,000 tons-CO_2)	7.6
Gas Emissions:	
SOx (1,000 tons)	0.05
NOx (1,000 tons)	0.26
Food product manufactured (1,000 tons)	1,276
Amount of Wastewater†† (1,000 m^3):	16,089
Ocean discharge (1,000 m^3)	2,191
River discharge (1,000 m^3)	12,766
Sewage discharge (1,000 m^3)	1,132

Outsourced processing (1,000 tons):	42.0
Industrial waste	23.8
Animal and plant residues	7.0
Sludge	9.9
Waste plastics	1.8
Metal scrap	0.1
Glass scrap	0.0
Burnt residue, ash*	0.2
Other	4.8
Specially controlled industrial waste	0.029
Valuables and recyclables	8.9
Internally processed (onsite) (1,000 tons)	9.3

* Burnt residue/ash created through internal processing (0.2 thousand tons) discharged as industrial waste.

CO_2 Emissions†† (1,000 tons-CO_2):	
Scope 3	2,319
Upstream (Categories 1–8)	1,371
Downstream (Categories 9–15)	948

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Climate Change

Reduction of CO_2 Emissions

Morinaga Milk Group promotes reduction of CO_2 emissions as a measure against global warming. At the Saroma and Betsukai plants, updates to its cogeneration system to improve overall energy efficiency and converted fuel from heavy oil to liquid natural gas (which emits less CO_2/GJ) were completed. Moreover, with the conversion of the Morioka Plant boiler to town gas, we have completed the conversion of the main fuel at all our directly managed plants to natural gas/town gas in 2021. We also installed solar panels at the Tone Plant, while the coffee grounds produced during coffee beverage production at the Kobe Plant are used as an energy source within the plant. These initiatives to use natural energy resulted in a FY 2020 reduction in CO_2 emissions intensity* of 14.1% compared to FY 2013 figures. (Progress against KPI: 176%)

* CO_2 emissions intensity: From FY 2020, the denominator in the calculation has been changed to sales (tons-CO_2/million yen). For all published years, the denominator has been changed to sales, recalculated, and disclosed.

Energy Consumption††*1

	2016	2017	2018	2019	2020
Fuel*2 (MWh)	1,243,899	1,251,455	1,215,452	1,031,964	994,813
Purchased energy*3 (MWh)	198,174	192,080	198,663	311,267	296,321
Total (MWh)	1,442,073	1,443,535	1,414,115	1,343,231	1,291,134*4
Sales intensity (MWh/million yen)	2.433	2.438	2.423	2.273	2.213

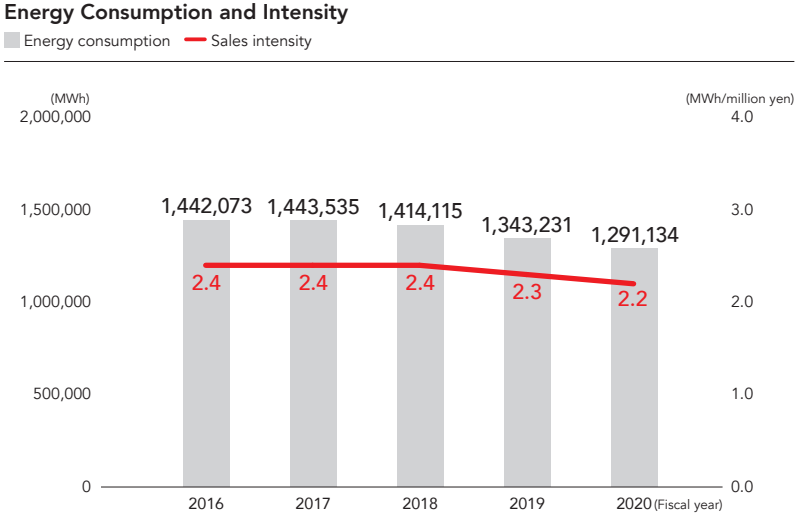
*1: From FY 2019, we changed the calculation categories used for Scope 1 and 2. For cogeneration systems on plant premises, fuel consumption was used for energy consumption until FY 2018. From FY 2019, the rule is to calculate energy/heat amounts in terms of electricity and heat purchased under contract.

*2: Fuel refers to fossil fuel consumption, and electricity is converted as 1,000 kWh = 3.6 GJ. Figures do not include renewable energy such as biomass.

*3: The total of electricity, steam, and hot water.

*4: Renewable energy consumption in FY 2020 was 7,767 MWh. Third-party warranty received for 1,298,901 MWh, including renewable energy.

Energy Consumption and Intensity



Note: Sales intensity: The amount consumed or emitted annually divided by annual sales (million yen).

Energy Consumption (Crude Oil Equivalent)††

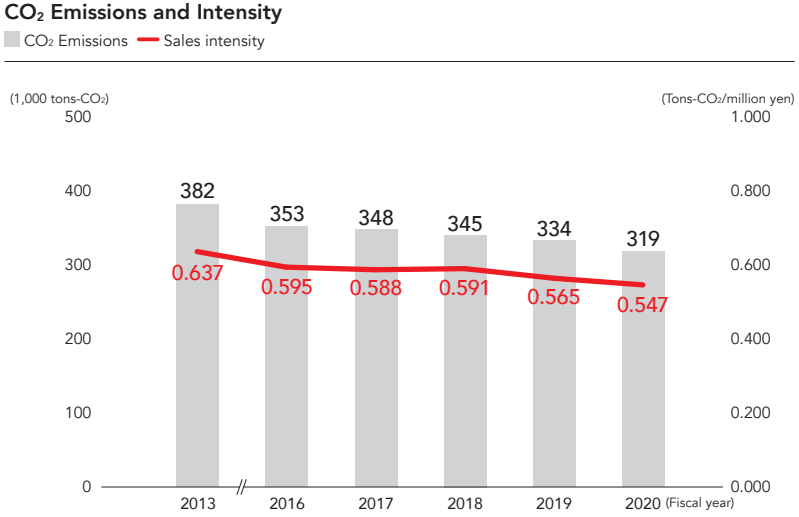
	2016	2017	2018	2019	2020
Fuel* (1,000 kL)	115	116	113	113	109
Electricity* (1,000 kL)	50	48	50	52	50
Total (1,000 kL)	165	164	163	165	159
Sales intensity (kL/million yen)	0.278	0.277	0.279	0.279	0.272

* Calculated based on the Energy-saving Law.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

CO_2 Emissions and Intensity



Note: Figures are for directly managed/Group company plants with ISO 14001 certification.
Note: Sales intensity: The amount consumed or emitted annually divided by annual sales (million yen).

CO_2 Emissions††*1

	2016	2017	2018	2019	2020
Scope 1*2 (1,000 tons-CO_2)	241	242	238	196	186*4
Scope 2*3 (1,000 tons-CO_2)	111	106	107	138	134*4
Total (1,000 tons-CO_2)	353	348	345	334	319
Sales intensity (Tons-CO_2/million yen)	0.595	0.588	0.591	0.565	0.547

*1: From FY 2019, we changed the calculation categories used for Scope 1 and 2. For cogeneration systems on plant premises, fuel consumption was used for energy consumption until FY 2018. From FY 2019, the rule is to calculate energy/heat amounts in terms of electricity and heat purchased under contract.
*2: Emissions from fuel consumption
*3: Purchased electricity, emissions from heat
*4: The figures assured by a third party are 185,779 tons-CO_2 (Scope 1) and 133,663 tons-CO_2 (Scope 2).

Calculation Standard

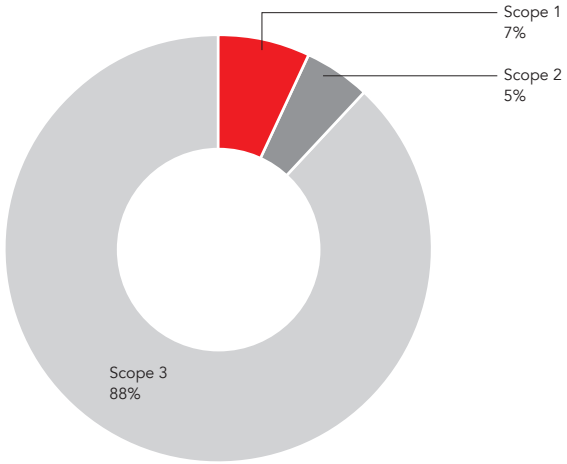
Item	Calculation Standard
Fuel (amounts used for kerosene, Class A heavy oil, light oil, LPG, LNG, town gas)	The calorific value conversion coefficient and the emission coefficient are based on Japan's Act on the Rational Use of Energy (Energy Efficiency Act) and Act on the Promotion of Global Warming Countermeasures (Temperature Control Act) For boundaries, according to ISO 14064-1
Energy (electricity, steam, hot water) (purchased)	
Scope 1, Scope 2	

CO_2 Emissions (Scope 3)

	2017	2018	2019	2020
Scope 3 (1,000 tons-CO_2)	2,325	2,415	2,357	2,319

Note: Categories 1–7,9,11, and 12 (10 categories) are aggregate figures for Morinaga Milk Group as a whole
1. Purchased goods and services / 2. Capital goods / 3. Fuel- and energy-related activities (not included in Scope 1 or 2) / 4. Upstream transportation and distribution / 5. Waste generated in operations / 6. Business travel / 7. Employee commuting / 8. Upstream leased assets / 9. Downstream transportation and distribution / 10. Processing of sold products / 11. Use of sold products / 12. End-of-life treatment of sold products (10, 13, 14 and 15 are not related to business activities and therefore excluded from calculation. 8 is included as part of Scopes 1 and 2.)

Ratio of CO_2 Emissions in the Value Chain (FY 2020)



[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

CO_2 Reduction Initiatives††

	2016	2017	2018	2019	2020
Reduced amount (1,000 tons-CO_2)	8.8	8.6	8.1	14.6	5.3

Note: Accumulated value of CO_2 reduction effects achieved with capital investments and manufacturing efficiency improvements

Fluorocarbon Leakage (CO_2 Equivalent)††

	2016	2017	2018	2019	2020
Leaked amount (1,000 tons-CO_2)	13.8	11.2	12.0	11.0	7.6

Note: Calculated based on the Fluorocarbons Emission Control Law.
For GWP (Global Warming Potential), the values designated in the Fluorocarbons Emission Control Law are used.

Converting the Main Fuel at All 11 Morinaga Milk Plants to Natural Gas/Town Gas

After switching the boiler fuel at the Morioka Plant from heavy oil to town gas in February 2021, the main fuel at all 11 Morinaga Milk plants is now natural gas/town gas.

The boilers at the Saroma and Betsukai plants were switched from heavy oil to natural gas in FY 2018 and FY 2019 respectively, with a corresponding annual reduction of CO_2 emissions of approximately 5,000 tons and 5,500 tons. The switch in fuels at the Morioka Plant is also expected to further reduce annual CO_2 emissions by 1,100 tons.

In FY 2020, we achieved a reduction in CO_2 emissions intensity of 14.1% compared to FY 2013.

Use of Biomass

Morinaga Milk's Kobe Plant uses coffee grounds, etc. from coffee beverage production to generate energy for plant operation. Since such biomass energy* is carbon-neutral, it also contributes to reductions in CO_2 emissions.

* Biomass energy
A generic term for energy derived from non-fossil organic matter such as plants. It is expected to become a replacement for fossil fuels.

Reduction of CO_2 Emissions from Transport

In order to reduce environmental impacts from transporting products, Morinaga Milk initiatives include joint delivery with several businesses (sharing space in the same vehicle), and a modal shift in transport from trucks to rail and ship. Between 2016 and 2020, Morinaga Milk implemented a modal shift from truck transport to railways and ships in five cases. In addition, Morinaga Milk revised delivery and eliminated 30.5 of its chilled daily delivery courses, while beginning cooperative delivery with other companies in 12 cases.

Other Atmospheric Emissions

SOx, NOx and Other Significant Atmospheric Emissions††

	2016	2017	2018	2019	2020
SOx (1,000 tons)	0.22	0.22	0.17	0.08	0.05
NOx (1,000 tons)	0.43	0.38	0.31	0.31	0.26

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Resource Recycling

Resource Consumption

The resources used by Morinaga Milk for manufacturing of products are as follows.

Raw Materials Used

	Unit	2016	2017	2018	2019	2020
Raw materials used	1,000 tons	1,181	1,169	1,118	1,157	1,142

Packaging Used

Scope of data: Products subject to the Containers and Packaging Recycling Law

	Unit	2016	2017	2018	2019	2020
Glass bottles (colorless)	1,000 tons	26.3	24.3	22.0	20.2	17.7
Glass bottles (brown)	1,000 tons	0.1	0.0	0.0	0.0	0.0
Glass bottles (other colors)	1,000 tons	0.0	0.0	0.0	0.0	0.0
PET bottles	1,000 tons	0.1	0.1	0.2	0.7	1.4
Plastic packaging	1,000 tons	20.5	20.3	18.8	18.2	18.4
Paper packaging	1,000 tons	12.0	12.3	11.8	11.5	11.6
Paper packs	1,000 tons	20.6	17.7	18.1	18.1	16.1
Steel cans (powdered milk)	1,000 tons	1.1	0.8	0.9	1.1	1.0
Aluminum cans	1,000 tons	0.0	0.0	0.0	0.0	0.0
Total	1,000 tons	80.7	75.5	71.8	69.8	66.2

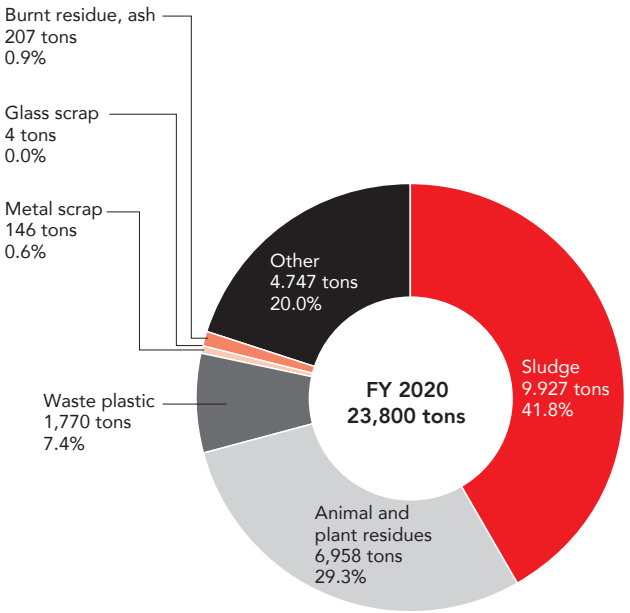
Food Product Manufactured

	Unit	2016	2017	2018	2019	2020
Food product manufactured	1,000 tons	1,452	1,420	1,360	1,349	1,276

Initiatives to Reduce Waste

Industrial plant waste includes food waste such as coffee and tea extract residue, waste paper, waste plastics, metal scrap, excess sludge generated from wastewater treatment systems, etc. In FY 2020, excess sludge accounted for the highest proportion of waste at Morinaga Milk Group plants at 41.8%, followed by food waste (animal and plant residues) at 29.3%, together making up 71.1% of the total waste production.

Percentage of Discharged Waste by Type*



* Figures are for directly managed/Group company plants with ISO 14001 certification. Calculated as the amount of waste processed by external contractors.

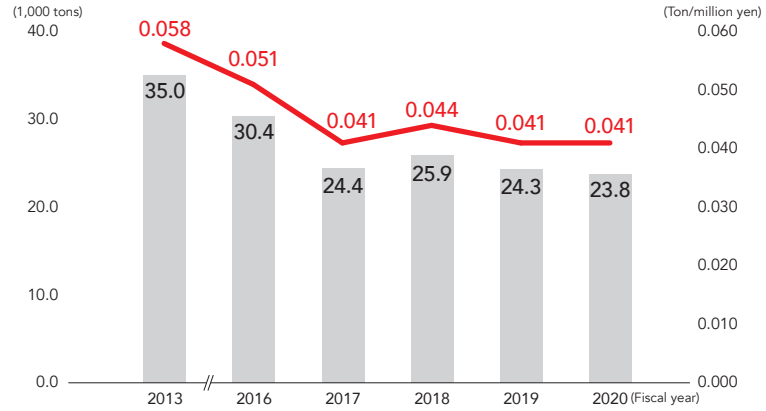
[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Industrial Waste Emissions††† and Intensity

Industrial waste emissions — Sales intensity

††† The amount for which waste manifests were issued

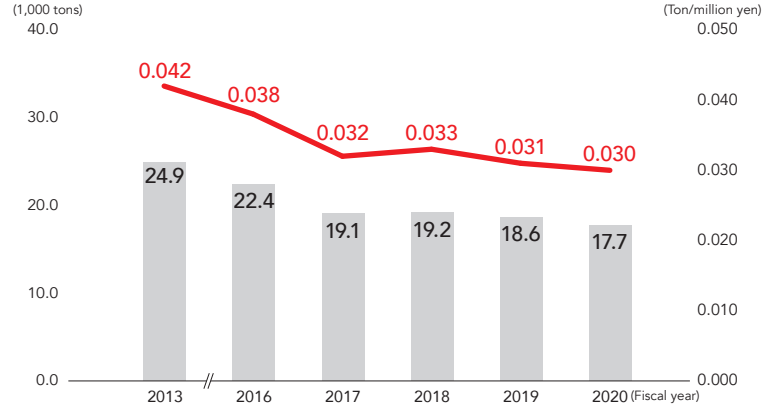


Note: Figures are for directly managed/Group company plants with ISO 14001 certification.
Note: Industrial waste emissions intensity:
The weight of industrial waste generated annually (tons) divided by annual sales (million yen).
Note: FY 2020 industrial waste emissions intensity was reduced by 30.0% compared to FY 2013.

Food Waste Generated†††† and Intensity

Food waste generated — Sales intensity

†††† The amount of industrial waste, valuable resources, and animal and vegetable residues processed onsite



Note: Figures are for directly managed/Group company plants with ISO 14001 certification.
Note: Food waste generation intensity:
The weight of food waste (tons) discharged over 1 year divided by annual sales (million yen).
Note: FY 2020 food waste generation intensity was reduced by 27.1% compared to FY 2013.

Waste Materials Generated

	2016	2017	2018	2019	2020
Outsourced processing					
Industrial waste*1 (1,000 tons)	30.4	24.4	25.9	24.3	23.8
Specially controlled industrial waste (1,000 tons)	0.0004	0.015	0.027	0.039	0.029
Valuables and recyclables (1,000 tons)	11.4	10.9	11.6	10.5	8.9
Internally processed (onsite) (1,000 tons)	18.9	12.4	12.1	11.3	9.3
Total amount of waste generated (1,000 tons)	60.7	47.7	49.6	46.1	42.0
Food waste (1,000 tons)	22.4	19.1	19.2	18.6	17.7
Landfilled waste*2 (1,000 tons)	0.430	0.383	1.296	0.276	0.354
Waste generation intensity (ton/million yen)	0.102	0.081	0.085	0.078	0.072
Industrial waste generation intensity (ton/million yen)	0.051	0.041	0.044	0.041	0.041
Food waste generation intensity (ton/million yen)	0.038	0.032	0.033	0.031	0.030

Note: The aggregate waste total†† is the total excluding Furijiport Co., Ltd.'s Okinawa Uruma Plant.
*1 Industrial waste emissions: The amount of waste generated from business activities that has been processed by an outside contractor. Does not include valuables collection.
*2 Landfilled waste: Of waste generated, the amount that was processed by landfilling.
Note: The progress of landfilled waste reduction in FY 2020 was 77.9% of KPI.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Reduction of Food Loss

Long-life Products

If you check the expiry dates of Morinaga Milk Group products, you will find that some have best-before periods of one month or longer, even for products that are generally perishable due to a high nutritional content. Many of these items are manufactured through our unique long-life production methods under sterile conditions. The long-life production methods are technology that separates the food sterilization process and container sterilization process and packages them in a sterile environment to ensure that products can be preserved with deliciousness for long periods without preservatives or antiseptic agents.

Since these products have a long shelf life, consumers can more effectively plan their use, resulting in a lower rate of disposal. These products are also suited as rolling food stockpile*1 for disasters use.

Of particular note is the Morinaga TOFU series, which was released in January 2019 as Japan's first*2 tofu that can be stored at room temperature. This was made possible by revisions to tofu standards and food labeling standards in 2018 that lifted a ban on the sale of aseptic packaged tofu at room temperature. The National Resilience Promotion Office in Japan's Cabinet Secretariat also selected Morinaga Milk as a notable example of private-company resilience and published the effort in the secretariat's collection of private-sector resilience initiatives (for 2020).

Examples of Products Produced Using the Long-life Production Methods



Morinaga Milk


Morinaga Milk Pudding



Silken Tofu



Climeal CZ-Hi

*1 A method of consuming and restocking emergency foods on a regular (rolling) basis to ensure that emergency supplies at home are not out of date.

*2 Based on Morinaga Milk research. (Survey cooperation: DO HOUSE Inc.)

Topics

Shelf-stable Drink Yogurt

Japan's first drinkable yogurt that can be stored at room temperature. Morinaga Milk's many years of know-how in long-life production methods has made it possible for us to create a product that can be stored at room temperature for 120 days. It's easy to place a single order online for mail delivery to stock this yogurt for use every day.



Along with consideration for nutritional composition and fat and sugar content, this product was blended with iron and fiber, which are especially beneficial for women. Whether at work or at home, this product can offer a helping hand to women who are working hard each day.

Donation to the Japanese Antarctic Research Expedition

Morinaga Milk donated our products to the 62nd Japanese Antarctic Research Expedition, which departed for the Southern Continent in November 2020. We donated long-life products that can be stored at room temperatures for several months, such as Morinaga Long-life TOFU and *Ichinichi Fusokubun no Tetsubun Drink Yogurt*. By supplying such long-life products, Morinaga Milk supports the health of expedition members as they carry out various duties in the harsh Antarctic environment.





[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Food Recycling

The Morinaga Milk Group promotes the reduction and recycling of food waste generated at its plants, etc. In eight years, from FY 2013 to FY 2020, food waste was reduced by approximately 7,000 tons. At the directly managed Tokyo Plant and Tone Plant, 100 percent of the okara (soy pulp) generated from tofu production is used as animal feed.

This okara is then fermented with lactobacillus to make a pleasant-tasting silage that is sold to dairy farmers by Morinaga Dairy Service Co., Ltd., a Group affiliate that produces milk products. The raw milk from dairy cows fed this silage is used as a raw material at our plants.

This initiative received the Judging Committee Chairman's Award at the 5th Food Industry Mottainai (Reducing Wastefulness) Awards for FY 2017.

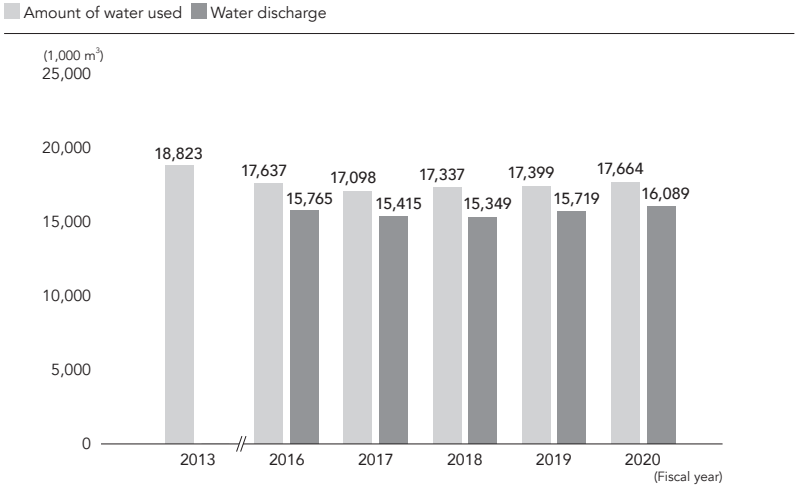
Recycling of Okara



Water Resources

Each Morinaga Milk Group plant has continued with improvements to make even more efficient use of water resources and to carry out ongoing development and improvement of wastewater treatment technologies to maintain water quality. To reduce water consumption, plants are recycling once-used water as wash water.

Amount of Water Used and Amount of Wastewater††



Note: Figures are for directly managed/Group company plants with ISO 14001 certification.

Amount of Water Used††

	2016	2017	2018	2019	2020
Total amount of water used (1,000 m³)	17,637	17,098	17,337	17,399	17,664
Sales intensity (m³/million yen)	29.8	28.9	29.7	29.4	30.3

Note: FY 2020 amount of water used was reduced by 6.2% compared to FY 2013. (Progress against KPI: 68.9%)

Note: For FY 2020 water use, the breakdown was surface water (river water), 476 thousand m³; groundwater (well water, spring water), 11,627 thousand m³; purchases from local governments (city water, tap water, industrial water, public raw water), 5,561 thousand m³

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance

Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Water Management at the Tokyo Tama Plant

Morinaga Milk Group plant uses not only public water supplies and industrial water from local governments, but also well water (groundwater). Proper maintenance and maintenance of wells will ensure a stable supply of products.

There are nine wells at the Tama Site (consisting of the Tokyo Tama Plant, the Yamato Plant, the Chilled Products Coordination Center–East Japan), but in 2020, we stopped taking water from Well No. 3 and carried out major maintenance.

Just as there was land subsidence when well water in urban areas was excessively pumped in the 1950s, it is important to confirm that aquifer levels remain stable when using well water. In 2020, we outsourced a survey of water sources and received a report that the water level has recovered in the aquifer in the Higashi-Kurume Formation (which runs under the area surrounding the plant), which is the source of the groundwater. In addition, since our plants require large amounts of clean water for production and cleaning manufacturing equipment, the quality of the groundwater is also important for stable supply of high-quality products. The above survey also confirmed the quality of the groundwater as clean and delicious.

Since 2021, the number of products manufactured will increase due to the closure of other plants, so it is expected that the Tokyo Tama Plant will generate more wastewater and have a higher wastewater treatment load. So in parallel with the construction of the manufacturing facilities, we enhanced the wastewater treatment equipment in cooperation with Morinaga Engineering, a Group company.

Advanced Wastewater Treatment

To clean wastewater after use and return it to nature, Morinaga Milk Group plants are also equipped with wastewater treatment facilities, in which an activated sludge of microorganisms removes waste by digesting the nutrients in the wastewater. Once the nutrients are consumed, the sludge is gravity separated and the treated wastewater is discharged. At some of our plants, we have introduced membrane bioreactor (MBR) systems, which use membranes to separate activated sludge. The use of membranes results in a higher level of purity in the treated water.

Developed by a Group company, Morinaga Engineering Co., Ltd., these wastewater treatment systems are being used not only within the Morinaga Milk Group, but also by around 300 of our business partners.



The foam jet system is a highly efficient aeration system that supplies oxygen in fine bubbles. Various benefits can be achieved by diffusing fine bubbles into wastewater.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
Promotion of Environmentally Conscious Containers/Packages
Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Promotion of Environmentally Conscious Containers/Packages

Plastic Packaging

Many Morinaga Milk Group products use plastic packaging, therefore environmental pollution, including marine pollution, from plastic packaging is an important societal issue. But because plastic packaging also contributes to extending the shelf life of products and improving convenience of use, it is vital to maximize function in a wise way while minimizing environmental pollution.

With this basic standpoint, Morinaga Milk has established its Eco-package Guide, which sets out design guidelines for environment-friendly containers and packages. This guide serves as the basis for implementing the 3Rs (reduce, reuse, recycle) from the product planning and development stage, and for the development and improvement of containers and packages that are safe and easy to use. The original 2005 guide was fully updated in 2018 and checks based on the Japan Standards Association's JIS Z0130-2 (Optimization of the packaging system) are done for new product releases using the Containers and Packaging Environmental Confirmation Sheet.* In this way, Morinaga Milk confirms whether appropriate environmental considerations are being given by looking at matters such as the role of each packaging component and whether there is leeway for further reductions.

Additionally, a Plastic Measures Subcommittee was created in FY 2018 under the Sustainability Committee to consider matters such as reducing plastic container usage and adopting the use of biomass plastics. (This subcommittee was subsequently spun out into the current independent Plastic Measures Project.)

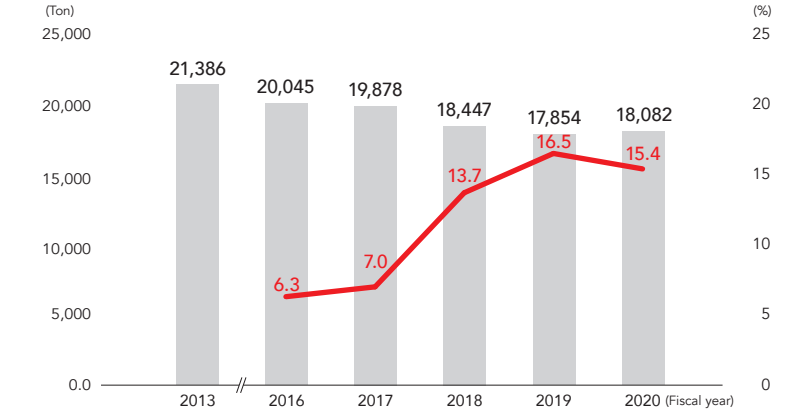
As for cooperation with external parties, Morinaga Milk works with various industry groups and participates in the Ministry of Economy, Trade and Industry's Japan Clean Ocean Material Alliance (CLOMA) and the Ministry of the Environment's Plastics Smart Forum to more effectively tackle plastic waste issues.

Examples of how Morinaga Milk has improved containers and packages to be more environmentally friendly are provided on the company website; put forward as case studies by membership-based organizations such as the Japan Food Industry Association, the Japan Dairy Industry Association and the Japan Soft Drink Association; and provided as information to the Ministry of Agriculture, Forestry and Fisheries' Plastic Resource Recycling Action Declaration, the Ministry of the Environment's Plastics Smart, and Keidanren's Contributing to the UN SDGs through Measures Addressing Plastic Waste Issues.

Under the Business Plan for the Next Medium Term, the goal by 2021 is to reduce the weight of plastic containers and packaging subject to the Containers and Packaging Recycling Law by 10 percent over FY 2013 levels. In FY 2020, Morinaga Milk reduced its use of plastic in containers and packaging by 15.4%. (Progress against KPI: 154%)

* Containers and Packaging Environmental Confirmation Sheet
When developing products, Morinaga Milk uses this confirmation sheet as a checklist for the environmentally conscious design of containers and packages. The checklist has 11 items such as "volume reduction at disposal" and "simplified packaging." When an item is not checked off on the list, the reasons and issues for this become shared knowledge that can be used for the next round of development.

Plastic Packaging



Note: Progress against the FY 2020 KPI was 154%.

[Contents]

Approach to Disclosure of Information on Sustainability
Editorial Policy
About Us
Corporate Mission
Measures for and Effects of COVID-19
Sustainability at Morinaga Milk
Seven Priority Issues
● Health and Nutrition
● Environment
Basic Approach
System
KPIs
Awareness of Environmental Risk
Compliance with Environmental Laws and Regulations
Expanding Environmental Activities Group-wide
Framework for Implementing Environmental Management
Environmental Load Overview
Climate Change
Resource Recycling
Water Resources
› Promotion of Environmentally Conscious Containers/Packages
› Biodiversity
● Human Rights
● Supply Chains
● Nurturing the Next Generation
● Human Resource Development
● Corporate Governance
Policies, Philosophy and Principles
Third Party Assurance
The United Nations Global Compact Index
GRI Content Index

Containers and Packages with the 3Rs in Mind

Morinaga Milk is working to advance the development of containers and packages while giving consideration to the 3Rs (reduce, reuse, recycle). In 2019, the shape of the corrugated cardboard used to transport the 4-pack *Bifidus Yogurt* line was revised, reducing cardboard use by about 8 percent.



Width here was reduced.

Reflecting Customer Opinions

Morinaga Milk has introduced many improvements based on the valuable opinions and suggestions sent to the Customer Service Center. Examples are provided on the company website.

WEB Applying customer feedback
▶https://www.morinagamilk.co.jp/customer/voice/ (Japanese only)

Biodiversity

Morinaga Milk became a member of the Roundtable on Sustainable Palm Oil[*1] in March 2018. We also participate in the Japan Sustainable Palm Oil Network (JaSPON) and are working toward the procuring and consuming sustainable palm oil. Palm oil production requires large-scale deforestation and has environmental impacts such as loss of biodiversity. It has also been pointed out that palm oil production could have human rights issues regarding labor on plantations.

Morinaga Milk has been promoting the purchase of Book and Claim[*2] palm oil since 2018, and has purchased 100 percent of the needed palm oil this way in FY 2019 and FY 2020. Going forward, we are working to switch to Mass Balance[*3] to achieve our goal in FY 2028.

With regards to beverages, such as coffee and tea, Morinaga Milk currently uses Rainforest Alliance Certified[*4] coffee beans and tea leaves for some products, including *Mt. RAINIER Deep Espresso*.

With respect to paper, all paper sleeves and packaging boxes for ice cream products were switched to FSC® certified paper[*5] by FY 2020. In addition, all drink and tofu containers that use paper and aluminum have been switched to FSC® certified paper.

*1: RSPO (Roundtable on Sustainable Palm Oil)
The Roundtable on Sustainable Palm Oil certifies palm oil and products using palm oil from farms that meet certain standards to prevent palm oil production having a profoundly negative impact on the preservation of tropical forests, the biodiversity within them, and the lives of the people who depend on the forests.

*2: Book and Claim
Book and Claim is a model for issuing certification credits (certificates) based on the volume of certified palm oil produced by palm oil producers. It provides a mechanism by which end users support the producers of certified palm oil through the purchase of certification credits.

*3: Mass Balance
This is a certification model under which palm oil from a certified plantation is mixed with non-certified palm oil during the distribution process. Although the final oil contains non-certified sources, the certified plantations and the quantity purchased from them is guaranteed.

*4: Rainforest Alliance Certification
Rainforest Alliance Certified farms are required to meet rigorous standards in order to create a better future for people and nature, which help protect forests, ecosystems, soils and waterways, and improve the rights and livelihoods of farmers and farm workers.

*5: FSC® certification
FSC® certification is an international certification program for protecting forests. Products and packaging only receive this certification after being examined by a group of third-party certification bodies based on FSC® (Forest Stewardship Council®) criteria to confirm that the forest resources used have been produced appropriately from the perspective of environmental preservation and under socially meaningful and economically sustainable forest management, or use materials that lead to appropriate use of forest resources.

REPORT ▶Please see the "Expand use of RSPO-certified palm oil" section (p. 69) and "Procurement Focused on Consideration for the Environment and Human Rights" section (p. 70) for details.