



# LRQA Independent Assurance Statement

## Relating to MORINAGA Group Environmental Data within ESG Data page of its Corporate Website for the Fiscal Year 2021

This Assurance Statement has been prepared for MORINAGA & CO., LTD. in accordance with our contract.

### Terms of Engagement

LRQA Limited (“LRQA”) was commissioned by MORINAGA & CO., LTD. (“the Company”) to provide independent assurance on its environmental data disclosed in Sustainability page of its Corporate Website (“the report”) for the fiscal year 2021 (1/4/2021~31/3/2022), against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE3000 (Revised) and ISO 14064-3:2019 for Greenhouse gas (“GHG”) emissions.

Our assurance engagement covered the Company’s operations and activities at 4 manufacturing plants and 20 branch offices, and its 10 consolidated subsidiaries in Japan and specifically the following requirements:<sup>1,2</sup>

- Verifying conformance with the Company’s reporting methodologies for the selected dataset:
- Evaluating the accuracy and reliability of data for only the selected environmental datasets listed below:<sup>3</sup>
  - Scope 1 GHG emissions (Tonnes CO<sub>2</sub>)<sup>4</sup>
  - Scope 2 GHG emissions [Location-based and Market-based] (Tonnes CO<sub>2</sub>)
  - Total energy consumption (MWh)
  - Water consumption (Tap water, Industrial water, and Well water) (m<sup>3</sup>)

Our assurance engagement excluded the other data and information of the Company’s suppliers, contractors and any third-parties mentioned in the report.

LRQA’s responsibility is only to the Company. LRQA disclaims any liability or responsibility to others as explained in the end footnote. The Company’s responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

### LRQA’s Opinion

Based on LRQA’s approach nothing has come to our attention that would cause us to believe the Company has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable environmental data as summarised in Table 1 below.

The opinion expressed is formed on the bases of a limited level of assurance<sup>5</sup> and at the materiality of the professional judgement of the verifier.

<sup>1</sup> Although Aunt Stella Inc. has both directly managed stores and franchise stores, but only directly managed stores (57 locations) are included in the calculation.

<sup>2</sup> Emissions activities that use less than 1 (t, kl, 1,000 m<sup>3</sup>) of fuel in the plant are excluded from the calculation as de-minimis emission source.

<sup>3</sup> GHG quantification is subject to inherent uncertainty.

<sup>4</sup> The scope covers only energy-oriented CO<sub>2</sub>.

<sup>5</sup> The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



**Table 1. Summary of MORINAGA Group environmental data fiscal year 2021 :**

Scope			
Scope 1 GHG emissions		22,340	tonnes CO <sub>2</sub>
Scope 2 GHG emissions (Market-based)		53,376	tonnes CO <sub>2</sub>
Scope 2 GHG emissions (Location-based)		54,775	tonnes CO <sub>2</sub>
Energy consumption		244,488	MWh
Water Consumption		1,599,021	m <sup>3</sup>
	Tap water	335,455	m <sup>3</sup>
	Industrial water	267,758	m <sup>3</sup>
	Well Water	995,808	m <sup>3</sup>

### LRQA's Approach

LRQA's assurance engagements are carried out in accordance with iSAE3000 (Revised) and ISO 14064-3:2019 for GHG emissions. The following tasks were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical environmental data and records for the fiscal year 2021; and
- Visiting Mishima plant and Oyama Plant of MORINAGA & CO., LTD. to investigate whether the data management systems have been effectively implemented.

### Observations

The Company should further demonstrate the accuracy and reliability of its future reports. This is particular to ensure effective internal verification processes at both the corporate head office and site levels.

### LRQA's Standards, Competence and Independence

LRQA implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021 *Conformity assessment – Requirements for bodies providing audit and certification of management systems* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LRQA for the Company and as such does not compromise our independence or impartiality.

Signed

Dated: 10 July 2022

Saeko Shimizu

LRQA Lead Verifier

On behalf of LRQA Limited

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