

The Morinaga Group

Supplier Guideline

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Morinaga & Co., Ltd.

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Introduction

To put the Morinaga Group's Corporate Philosophy into practice, the Morinaga Group, together with our business partners, aims to contribute to the realization of a sustainable society by establishing a supply chain that carries out good-faith business activities, and by conducting procurement activities with consideration for society, the environment and human rights, in accordance with the Morinaga Group Procurement Policy. In order to do so, as it is essential for our business partners to understand and cooperate with the Morinaga Group's approach, we have now established new Supplier Guidelines that specify in greater detail our expectations and requirements of business partners.

To increase the competitive advantages in the supply chain between our business partners and the Morinaga Group, and contribute to the development of a sustainable society, we ask that our suppliers make proactive efforts to comply with the Guidelines.

The Morinaga Group's Corporate Philosophy

The Morinaga Group's Corporate Philosophy is composed of Our Mission, Our Visions, and Our Commitments. Our Mission states how the Group will contribute to society, and Our Visions comprise the five visions that we will pursue toward the future.

Our Commitments represent the values that we have developed during more than 100-year history since the founding of the Group and will continue to uphold as our firm belief for many more years to come. To describe the essence of our Corporate Philosophy in one word, it is "Delicious, Fun, and Healthy."

Corporate Message

Delicious, Fun, and Healthy

Our Mission (PURPOSE)

The Morinaga Group will continue to create healthy foods that can be enjoyed beyond generations, thereby bringing smiles to the faces of people around the world now and in the future. Since its founding in 1899, the Morinaga Group has been consistently providing customers with new value and inspiration, while responding to changes of the times and those in the lifestyles of customers. As a sustainable company that keeps growing, the Group will continue to make food that contributes to keep people's mind and body healthy toward the creation of a sustainable society, where everyone can lead happy lives. From today to tomorrow and from one generation to the next, we will

continue to bring smiles to the faces of people around the world.

Our Visions (VISION)

The Morinaga Group has set the following five visions with an eye toward the future.

“Good quality,” “Only-one value,” “Act globally” “Link together,” and “Sustainable society,” which can be abbreviated as the acronym “**GOALS.**”

The Group will work toward the **GOALS** hand in hand with all stakeholders, including customers and employees.

- Good quality Pursue quality with integrity and contribute to the healthy and happy lives of customers
- Only-one value Create and give new value and inspiration to society
- Act globally Never bow down to adversities and expand the scope and possibilities of activities
- Link together Build relations of trust with all stakeholders, including employees
- Sustainable society Contribute to the creation of a sustainable society, thereby bringing smiles to the faces of more people

Our Commitments (VALUE)

Based on altruism, we will continue to uphold the five commitments.

The Morinaga Group has been sincerely upholding these commitments for more than a century. Based on the ideal of altruism, which means to be considerate of others and think about how to contribute to them, we will continue to uphold the following five commitments: Give first priority to customers; Be a pioneer; Have an indomitable spirit; Value ties between people; and Align our business imperatives with social challenges.

-We will take actions, giving first priority to putting smiles on the faces of customers.

-We will boldly embrace the challenge of creating what are needed by society and the new era.

-We will make progress to achieve our targets, acting in a bright, proactive, and tenacious manner at all times.

-We will value the thoughts of people associated with our business.

-We aim to achieve the creation of a sustainable society, thereby making both our stakeholders and ourselves smile.

Morinaga Group Procurement Policy

In order to realize food safety and reliability as well as a sustainable society, the Morinaga Group endeavors to build fair and equitable relationships with our business partners and

carry out procurement activities that are considerate of society and the environment.

- Compliance/adherence to social norms, etc.

We comply with laws and social norms, etc., carrying out healthy procurement activities in accordance with the Morinaga Group's Code of Conduct.

- Product quality/safety assurance

Placing top priority on customers' safety and peace of mind, we strive to ensure product quality in carrying out our procurement activities.

- Strengthening partnerships

We work together with our business partners with the common goals of "Customer Delight" and "Customer First," building relationships that enable mutual expansion.

- Fair and equitable trading

Comprehensively taking into account efforts related to product quality, prices, delivery deadlines, technological strength, and social/environmental aspects, we undertake fair and equitable trading activities.

- Consideration for human rights/work environment/safety

Based on the Morinaga Group's human rights policies, we carry out procurement activities giving consideration to human rights, the work environment, and safety.

- Consideration for the global environment

Based on the Morinaga Group's environmental policies, we carry out procurement activities aimed at realizing a sustainable society, giving consideration to the global environment.

Supplier Guidelines

The Morinaga Group considers that the cooperation of the supply chain as a whole is crucial for the sustainable development of society. We ask our suppliers to understand the objective of the Morinaga Group Procurement Policy as well as the objective and content of the Guidelines, and cooperate with and put the Guidelines into practice as the business partners who make up the supply chain.

1. Compliance with Laws and Regulations and Social Norms

At the same time as complying with the laws and social norms of each country and region, build systems to ensure compliance.

- Comply with laws and regulations

Comply with international rules, and the laws, ethical and social norms of each country.

- Eliminate anti-social forces

Eliminate all relationships with anti-social forces.

- Respect intellectual property rights

Respect and do not infringe the intellectual property rights of third parties.

- Prohibition of giving and receiving improper benefits

Do not give or receive improper benefits in relationships with stakeholders.

- Prohibition of corruption, bribery, etc.

Maintain normal and sound relationships with governments and administrations, etc. and do not give bribes and illegal political donations or the like.

- Prevention and early detection of fraud

Implement actions for preventing fraud, and also create systems for early detection of and responding to fraud. Strive to engage in fair and equitable trading with comprehensive consideration of quality, price, deadlines, technical ability, and social and environmental initiatives.

- Establish information security

Appropriately manage and protect confidential information and personal information and comply with relevant laws.

2. Assuring Quality and Safety of Products and Services

Strive to thoroughly manage the quality of products and services and enhance product safety and quality to satisfy the safety standards prescribed by the laws, etc. of each country.

- Ensure and manage the safety of raw materials, products and services

Check and examine the safety of raw materials, packaging materials, and products, confirm that the sellers' quality management is appropriate, and build and operate management systems. Comply with international rules, and the laws, ethical and social norms of each country.

- Respond to occurrence of accidents and risk of occurrence

In cases where it is ascertained that an accident has occurred or is liable to occur, while giving priority to the safety of customers, quickly investigate the causes and the facts and accurately report them to the Morinaga Group.

- Stable supply of products

To ensure stable supply of products, prepare and establish a Business Continuity Plan (BCP) for prompt restoration of operations, even in unforeseen circumstances.

- Information disclosure

For ensuring safety, provide fair and accurate information disclosure.

3. Fair and Equitable Purchasing in Trading

Comprehensively determine quality, price, reliability, performance, etc. of products and services, and carry out fair and equitable purchasing in trading.

- Ensure fair and free competition

To enable business partners to freely provide products and services, strive to establish opportunities for fair participation.

- Prohibition of abuse of dominant bargaining position

Do not engage in actions that unfairly disadvantage business partners by use of a dominant position. Always act fairly in trading with other companies.

- Prohibition of giving unfair benefits

Do not give or receive gifts or business entertainment that could be judged to be improper when viewed by third parties.

4. Respect for Human Rights, and Consideration for the Working Environment and Safety and Health

Emphasize and respect standards and approaches in relation to international human rights.

- Ensure employees' health and workplace safety

Strive to manage and maintain employees' safety and physical and mental health and ensure a safe working environment.

- Management of appropriate working hours and payment of appropriate wages

Properly manage employees' working hours, non-working days and leave in compliance with legal working hours, and pay appropriate wages that comply with the legal minimum wages.

- Respect the right to organize

Respect employees' right to organize as a means for holding discussions between labor and management on matters such as working environment and wage levels.

- Establish systems for responding to emergencies

Establish and make thorough efforts to publicize systems for responding to anticipated emergencies such as disasters and accidents that may occur.

5. Contribution to Society and Consideration for the Global Environment

Together with supply chain-related persons, strive to reduce the burden on the environment toward the realization of a sustainable society.

- Make effective use of sustainable resources

Use sustainable living things, water, forests, agricultural resources and energy, promote waste reduction initiatives, and facilitate sustainable use of all kinds of resources.

- Conserve and reduce the burden on the global environment

Consider the impact on local environments and ecosystems from emissions, waste water, odors, noise, vibrations, light, etc. associated with production, and promote initiatives for environmental conservation such as reducing the environmental burden, stopping reduction of forests, and preventing global warming.

- Consider biodiversity and ecosystems in procurement of raw materials

In procuring raw materials, check traceability to production areas, understand the status of biodiversity and ecosystem conservation in the production areas, and strive to make necessary improvements.

- Develop and promote procurement of environmentally-friendly products and services

Strive to develop environmentally-friendly products and services, and choose and preferentially procure environmentally-friendly products and services in procurement.

- Promote energy saving and resource saving

Strive to reduce the amount of resources used, reuse resources, and reduce the burden on the environment.

- Prevent pollution

Prevent environmental pollution and activities that may lead to damage to human health.

- Comply with related laws and regulations

Comply thoroughly with the various environmental laws and regulations.

- Contribute to the local community

Respect the local culture, fulfil their role as a member of the local community, and contribute to the growth and development of society.

* The Morinaga Group Procurement Policy and the Supplier Guidelines have been created with reference to, and are compatible with, the Ten Principles of the United Nations Global Compact advocated by the Global Compact Network Japan (GCNJ).

When Choosing New Suppliers

When choosing new suppliers, we consider the status of the suppliers' CSR efforts, including human rights and labor, prevention of corruption, safety and health, and consideration for the environment in addition to quality, cost, and ability to meet deadlines through fair and equitable purchasing activities.

- General (human rights, compliance, safety and health, information management, etc.)

Respect for basic human rights, compliance with laws, prevention of bribery and corruption, maintenance of a safe working environment, management of employees' health, and management of information security.

- Management policies and financial status

Specification of medium- to long-term management policies, and maintenance of a sound financial status.

- Assessment of technical abilities

Quality control, stable supply, price competitiveness, responding accurately and promptly to

commitments and required specifications, and establishment of a Business Continuity Plan (BCP) for disasters.

- Consideration for the environment

Compliance with environment-related laws, respect for biodiversity, use of sustainable resources, and provision of environmentally-friendly products and services.

- Understanding of and cooperation with the Supplier Guidelines

Request to Business Partners

Based on the Supplier Guidelines, please cooperate with the following points:

- Promote activities and initiatives in accordance with the Supplier Guidelines

We ask our suppliers to understand the Morinaga Group's Corporate Philosophy and Procurement Guidelines and carry out activities that are compatible with our Company's initiatives.

- Share with and make widely known to each supplier that makes up the supply chain

Promote the initiatives, not only within their company, but also to each supplier that makes up the supply chain.

- Share with and make widely known to related departments internally

We ask our suppliers to make the initiatives widely known, not only in their own department, but also in related departments within their company.

- Cooperate with surveys and monitoring

We ask our suppliers to cooperate with regular surveys or site visits by persons in charge as necessary. In the event that we become aware of cases of non-conformance with the Guidelines, we will ask for improvement and, as necessary, provide support for resolving the matter.