



CSR Report 2023

Glico Group

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Editorial policy

This CSR report is published for all stakeholders with a view to detailing the Glico Group's Corporate Social Responsibility (CSR) approach and stance, and to communicate specific activities the group is undertaking.

Reporting scope

Ezaki Glico Co., Ltd. and all Glico Group companies.

Reporting period

FY 2022 (January 1, 2022 to December 31, 2022)

*Some information included in this report may date from before FY2022 and may also include activities undertaken in 2023.

Published

December 2023 (published once a year)

*Information is up to date as of the date of publishing.

*Company names and product names, etc. are registered trademarks or trademarks of their respective companies.

Guidelines consulted

Global Reporting Initiative (GRI) Standards
Environmental Reporting Guidelines 2018,
published by the Ministry of the Environment

Published by

CSR Promotion Division, Ezaki Glico Co., Ltd.

Inquiries

Glico Customer Center:
<https://www.glico.com/global/contact/>



Meeting the changing expectations of our customers, by bringing new value

The Glico Group has marked the 101st year since the founding. I wish to express my sincere appreciation to our customers and the many others who have given their support for our business.

The global public health crisis of recent years gave consumers the opportunity to reconsider their values and lifestyles, and has rapidly increased awareness toward health management and immunity.

People have reaffirmed the importance of exercise, nutrition, and rest in leading healthy lives.

It brought our company to focus on the development of products that maintain and enhance the health of consumers and encourage the growth of infants and children, as well as the research and development of functional ingredients, to create products that are essential to our customers' lives.

In addition, we are accelerating global expansion for further growth in Asia region, focusing on our business for food products such as confectionery and beverages.

In 2022, the year in which we marked our centennial anniversary, we formulated the Purpose, "Healthier days, Wellbeing for life". It is incorporated into our strong determination to contribute society through business so that each customer continues to enjoy healthier days and to realize wellbeing life through the daily engagement. Its origins lie in the Glico Founding Spirit.

More than 100 years ago, at a time when people were still struggling with malnutrition, founder EZAKI Ri-ichi came across the nutrient glycogen found in oyster broth. Hoping that the intake of glycogen will help to prevent illnesses, he applied 創意工夫 (Creativity) and created the Glico nutritious candy (caramel) after repeated trial and error. Our founder, who had wanted to contribute to society through business, encapsulated this desire in the phrase "to contribute to enhancing people's health through food," which became Glico's corporate philosophy back then. Subsequently, at our 70th anniversary in 1992, we revised this to "A Wholesome Life in the Best of Taste."

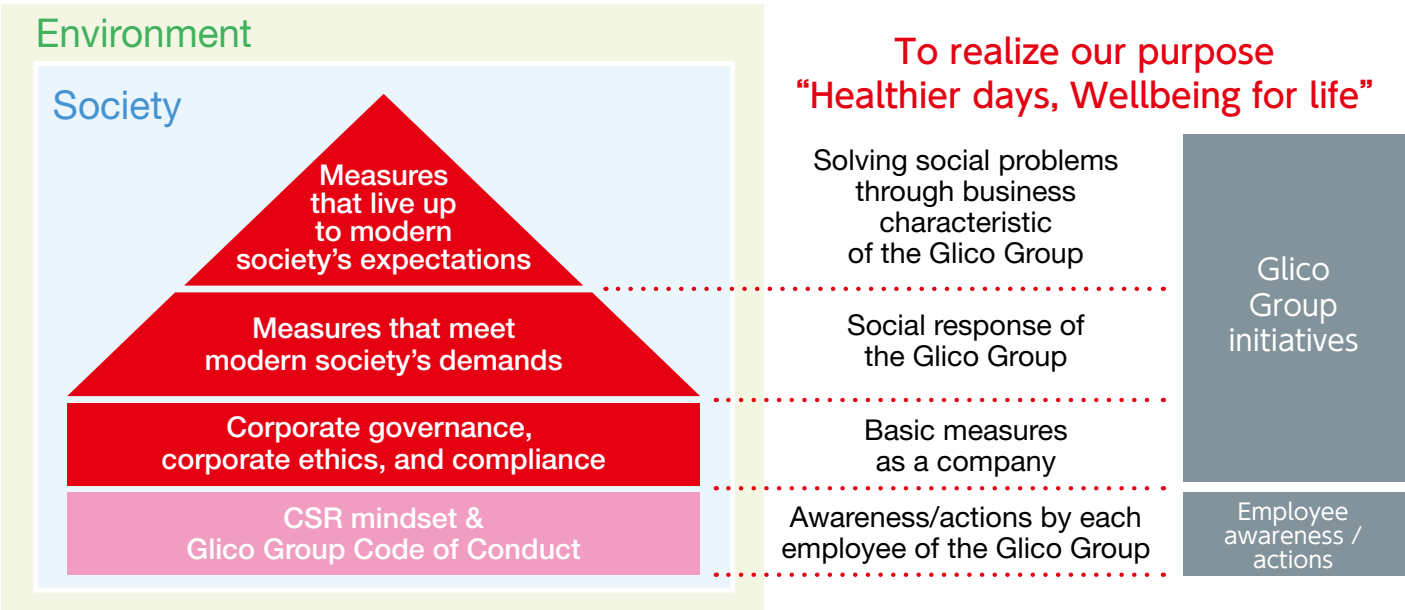
Even after more than a century, our spirit of contributing to the health of people remains unchanged. On the other hand, facing the rapid social changes, it is critical to meet the changing expectations of people. In order to continue to create new value and continue to be valuable to society, the Group will work together as one to take proactive and bold actions. We will also undertake management that contributes to society through business from a medium-to long-term perspective while accelerating the collaboration with diverse organizations and bringing more actions to realize a better society. We hope we can count on even greater support from you in the future.

EZAKI Etsuro
President & CEO
Ezaki Glico Co., Ltd.
May 2023

CSR Approach and Promotion System

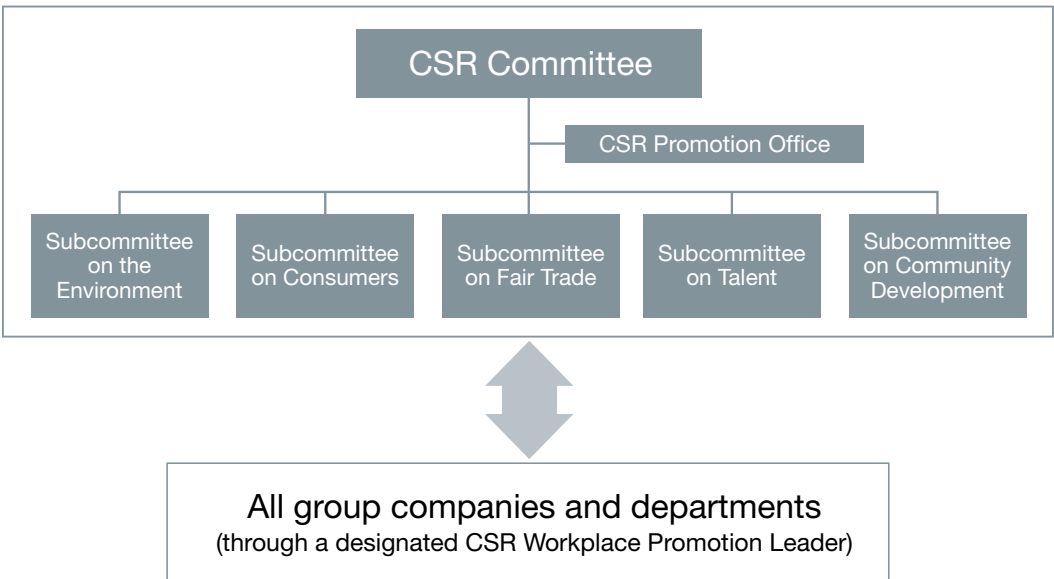
The Glico Group's Approach to CSR

The Glico Group's history dates back to when founder Ri-ichi Ezaki developed Glico nutritious caramel containing glycogen, with his determination to contribute to enhancing people's health through food. We have inherited the founder's determination and carried out activities under the mission of contributing to healthy minds and bodies with the aim of realizing the corporate philosophy of "A Wholesome Life in the Best of Taste" and helping people all over the world to live a rich life full of smiles. To continue to fulfill this mission in the world in the times ahead, we will meet demands and expectations that change with the times, take up challenges to create new values, and develop with society.



CSR Promotion System

The Glico Group regards the promotion of CSR as an important management issue. We have established the CSR Committee, headed by the President & CEO of Ezaki Glico, and we are promoting CSR together as a group. The committee meets several times a year for each item on their agenda to formulate directions, check progress, and otherwise discuss the promotion of CSR. Activities of the committee are reported to the Ezaki Glico board of directors and elsewhere to ensure that CSR is reflected in management policy and promoted by the whole group.




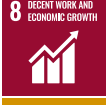







Materiality (Key Issues)

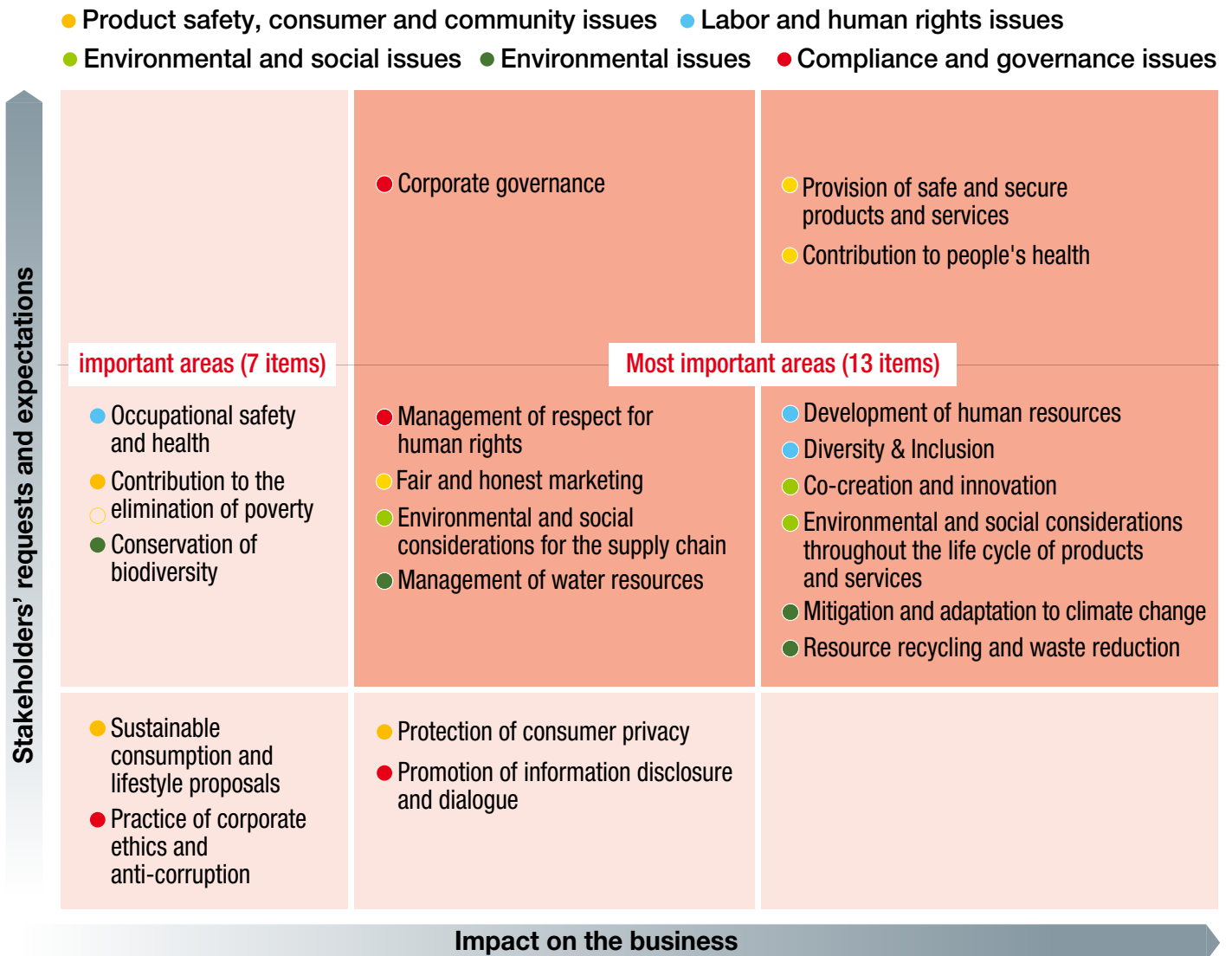
In the Glico Group, we believe that it is important to clarify of the materiality (key issues) to be addressed in order to realize our corporate philosophy of “A Wholesome Life in the Best of Taste” and continue to contribute to society through business.

In June 2019, we identified materiality for the group in line with feedback from consumers, business partners, employees, shareholders, investors and other stakeholders (refer CSR Report 2019). This time, as we aim to contribute to realizing an even more sustainable society, we have reviewed this materiality while enhancing the perspective of global social issues and listening to the opinions of external experts.

This materiality will be the base for setting medium- to long-term goals and KPIs, and to continue to carry out our activities.

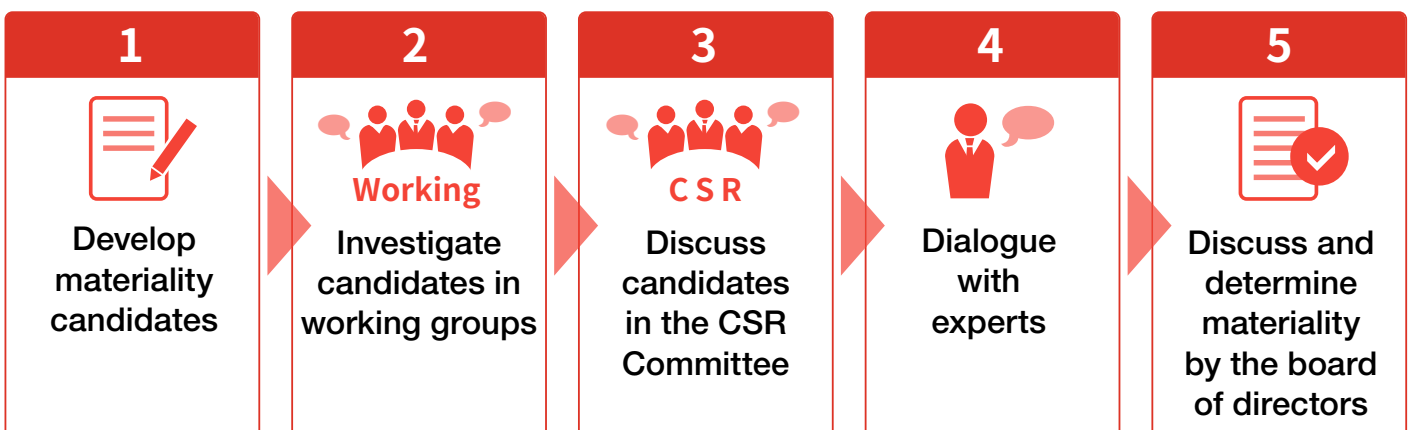
Materiality (20 key issues)		Main related SDGs
Product safety, consumer and community issues	<ul style="list-style-type: none"> · Provision of safe and secure products and services · Contribution to people's health · Fair and honest marketing · Contribution to the elimination of poverty · Protection of consumer privacy · Sustainable consumption and lifestyle proposals 	  
Labor and human rights issues	<ul style="list-style-type: none"> · Development of human resources · Diversity & Inclusion · Occupational safety and health 	
Environmental and social issues	<ul style="list-style-type: none"> · Co-creation and innovation · Environmental and social considerations throughout the life cycle of products and services · Environmental and social considerations for the supply chain 	
Environmental issues	<ul style="list-style-type: none"> · Mitigation and adaptation to climate change · Resource recycling and waste reduction · Management of water resources · Conservation of biodiversity 	 
Compliance and governance issues	<ul style="list-style-type: none"> · Corporate governance · Management of respect for human rights · Promotion of information disclosure and dialogue · Protection of consumer privacy · Practice of corporate ethics and anti-corruption 	 

Materiality Mapping



Materiality Identification Process

We conducted investigation and analysis to clarify materiality that we need to address. In addition to the Ten Principles of the United Nations Global Compact, the Sustainable Development Goals (SDGs), and the ISO 26000 standard, we refer to a number of sources when analyzing materiality, including non-financial disclosure standards demonstrated by the GRI Standards, SASB and others, and evaluation categories of ESG ratings organizations such as FTSE and MSCI. The specific identification process we followed is detailed below.





1. Develop materiality candidates

We created a list of materiality candidates based on the Glico Group corporate philosophy, code of conduct and business plans while factoring in international frameworks like the Ten Principles of the UN Global Compact and SDGs, guidelines of ISO 26000, the GRI Standards, SASB and others, and perspectives such as ESG evaluation categories.



2. Investigate candidates in working groups

We investigated the materiality candidates in working groups comprising a mix of people from relevant departments. We mapped the materiality candidates from step 1 against “Stakeholders’ requests and expectations” and “Impact on the business” to identify proposed materiality candidates for priority action.



3. Discuss candidates in the CSR Committee

Management and others in the CSR Committee discussed the proposed mapping, and materiality candidates for priority action, that were identified in step 2.



4. Dialogue with experts

We had a dialogue session with external experts to confirm the validity of materiality candidates discussed in step 3. We then reevaluated our proposed materiality in line with suggestions and comments received.

<Experts consulted>



KAWAKITA Hideto
CEO, International Institute for Human,
Organization and the Earth (IIHOE)



KAWAGUCHI Mariko
Board Member,
United Nations Global Compact Network Japan



Dialogue with experts (June 2020)

<Main Opinion and Feedback>

◆ Providing value through products and services

- “Provision of safe and secure products and services” is an important issue for food businesses. The Glico Group is implementing a range of initiatives to ensure food safety, but that alone is unable to ensure peace of mind for consumers. In times ahead, consideration of human rights and animal welfare¹ will also play an important role in delivering this security. We recommend that the group pursue its activities based on a deep analysis of the safety and security they will provide going forward, and that they ensure proactive disclosure of related information.

- “Contributing to people’s health” includes more than just reducing ingredients (such as sugars and salt) that may adversely affect health if over-consumed. It is also expected that of the more value-added products and services providing people better health through continued use.

◆ Human rights issues

As approaching to 2030, by which year the SDGs are intended to be achieved, stakeholder interest in human rights issues will increase. For example, “environmental and social considerations for the supply chain,” such as whether child labor or forced labor are utilized, will become more important when procuring raw materials from developing countries. Whether the “occupational safety and health” of employees is sufficiently guaranteed, such as ensuring people do not work excessive working hours, is another important human rights issue. The Glico Group should promote “management of respect for human rights” by identifying, preventing, reducing and dealing with the impact of human rights responsibilities in its business activities and business relationships, and ensure proactive disclosure of information related to those activities.

◆ Environmental issues

“Mitigation and adaptation to climate change” and “conservation of biodiversity²” are both important global issues. The Glico Group has focused its activities to date on climate change mitigation, but as the impacts of climate change and the occurrence of abnormal weather events increase, adaptation activities are becoming increasingly important. This is also directly linked to procurement of the essential raw materials of products and services. The group needs to reduce environmental impact and adapt to climate change going forward.

◆ The future

- We expect that continued use of Glico Group’s products and services will not only contribute to people’s health but will also help solve issues related to human rights, the environment and consumers.

- We recommend a review of the group’s materiality and portfolio, in line with changing times and future business activities, in three to five years’ time.

^{*1} Animal welfare refers to the raising of animals in conditions that ensure their health, comfort, sufficient nutrition, safety and natural movement, and that do not cause pain, fear, suffering or other distress.

^{*2} Biodiversity refers to diversity of ecosystems, species and genes on Earth. Supplies of food and water, and stability of our climate, are among the blessings of this biodiversity-based ecosystem that sustains life for us all.



5. Discuss and determine materiality by the board of directors

The Ezaki Glico board of directors discussed issues that were reevaluated and organized in step 4, and the positioning of such within the Glico Group, at a meeting on July 15, 2020, and then determined materiality for the Glico Group.

Going Forward

◆ Providing value through products and services

To continue fulfilling our corporate philosophy of “A Wholesome Life in the Best of Taste,” we will expand our range of products and services that enable people around the world to enjoy delicious and healthy foods and lifestyles, and live better lives. As a food business, we will increase the safety and security of not only our products and services but of the entire value chain.

◆ Human rights issues

We will work with all stakeholders to pursue activities in line with the Glico Group Human Rights Policy.

◆ Environmental issues

We will formulate the Glico Group Environmental Vision, establish long-term goals in areas such as climate change mitigation and adaptation, and biodiversity, and work to achieve those goals.

In this way, we aim to solve a range of social issues and contribute to a sustainable society while contributing to the health of people through business.

We will determine medium- to long-term goals and KPIs based on identified materiality. We will also publish those KPIs on our website.

Finally, we will consider reviewing our materiality in 2024 in line with changing times and future business activities.

With Our Planet

We will pursue corporate activities that preserve our rich global environment for the future.

Glico Group Environmental Vision

Formulation of the “Glico Group Environmental Vision 2050”

In March 2021, the Glico Group established a medium- to long-term vision for the year 2050 in four fields based on our key issues. We will pursue corporate activities that preserve the global environment for the future.

Glico Group Environmental Vision **2050**

We will fulfill our responsibilities to realize a resource recycling society.



The Glico Group’s Medium- to Long-term Quantitative Environmental Goals and Initiatives

Based on the Environmental Vision, we have formulated following medium- to longterm goals and KPIs. We will head forward to achieve these goals and implement activities for contributing to a sustainable society.



<Initiatives>

1

Greenhouse Gas Reduction
Addressing Climate Change

The Glico Group manages the amounts of electricity, natural gas, and other energy used in our business activities, in order to reduce CO₂ emissions. When implementing the new equipment at our factories and other facilities, we shift to take high consideration that the equipment to be environment-friendly, such as energy-saving or nonfluorocarbon types. We focus to achieve a 100% reduction in greenhouse gases (such as CO₂ and fluorocarbon gases) by 2050 through means such as switching to renewable energy, enhancement of efficiency using cogeneration systems, and replacement of refrigerators.

2

Sustainable Use of Water Resources

The Glico Group reduces the usage of water at some of our factories, such as reusing wastewater for the cooling of refrigeration equipment. We focus to reduce our unit consumption of water by 20% and achieve zero water pollution by 2050 through means such as the adoption of air-cooled systems and improvement of water treatment technology.

3

Sustainable Use of Container and Packaging Resources

The Glico Group is pursuing improved containers and packaging and is also making actions to lower environmental impact by reducing the amount of packaging. We focus to completely replace plastic with recycled materials and paper with Forest Stewardship Council (FSC)-certified paper by 2050 through reductions in alignment with production technology improvement and the review of existed standards, as well as a shift to biomass materials.

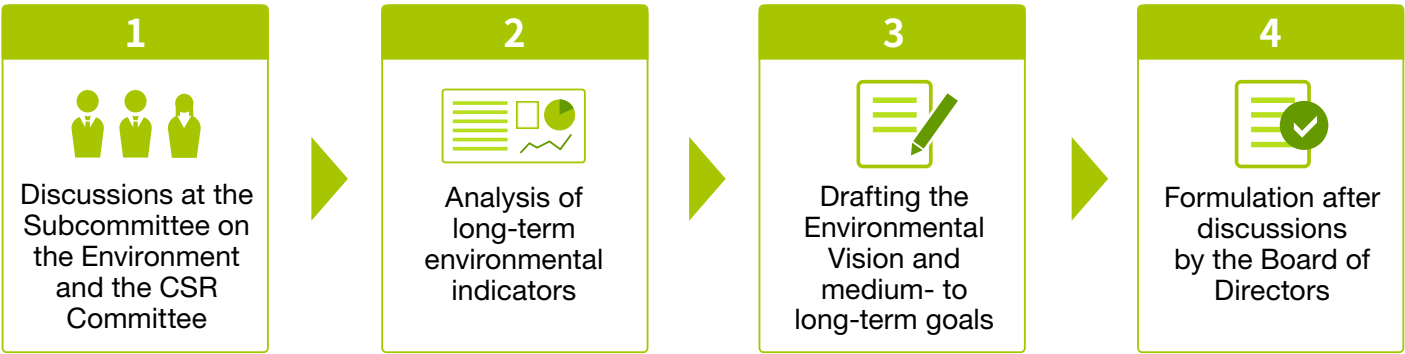
4

Reduction of Food Loss/Waste

The Glico Group reduces food loss/waste generated during the production process, and through systems that do not maintain excessive stocks by enhancing the accuracy of demand-supply projections. We focus on initiatives to eliminate disposal, such as increasing supply chain efficiency and improving the accuracy of demand-supply projections, and also undertake outlet sales of products with minor flaws that have no quality issues as irregular ones. Through these initiatives, we aim to achieve a 95% reduction in food loss/waste by 2050.

Process of Formulating the Environmental Vision and Medium- to Long-term Quantitative Environmental Goals

With the Subcommittee on the Environment of the CSR Committee playing a central role, we conducted analysis of long-term environmental assessments while receiving advice from experts and developed drafts of the Environmental Vision and medium- to long-term goals. The Vision and goals were formulated in March 2021 after the drafts were discussed by the CSR Committee and Board of Directors.



Glico Group Environmental Policy

We have established an environmental policy in order to clarify the stance of the Glico Group toward environmental initiatives, and set guidelines for our business activities. We will carry out these activities with the understanding and cooperation of customers, business partners, and other stakeholders.

Glico Group Environmental Policy

In modern society, people are trying to protect nature and restore a rich sense of humanity. We pursue environmentally friendly corporate activities based on the corporate philosophy of the Glico Group: "A Wholesome Life in the Best of Taste."

- 1. We will deliver high-quality, safe and secure products and services to our customers, while striving to reduce environmental impact in processes ranging from raw material or ingredient procurement to production, supply, and final disposal of containers and packaging.
- 2. We will endeavor to make a sustainable society for our precious planet by working to prevent environmental pollution, giving consideration to the ecosystem, preventing global warming, and by observing laws, regulations, and other rules.
- 3. We will review our operations, strive to improve their efficiency, and continually improve our environmental management system, and strive for improvement of our environmental performance.
- 4. We will raise awareness of environmental protection, and strive for safe workplaces where employees can work with peace of mind.
- 5. We will promote a wide range of communication activities and social contribution, while valuing connections with customers and society.

This environmental policy is openly available to all.

Established in February 2000
Revised in February 2021
Revised in January 2023

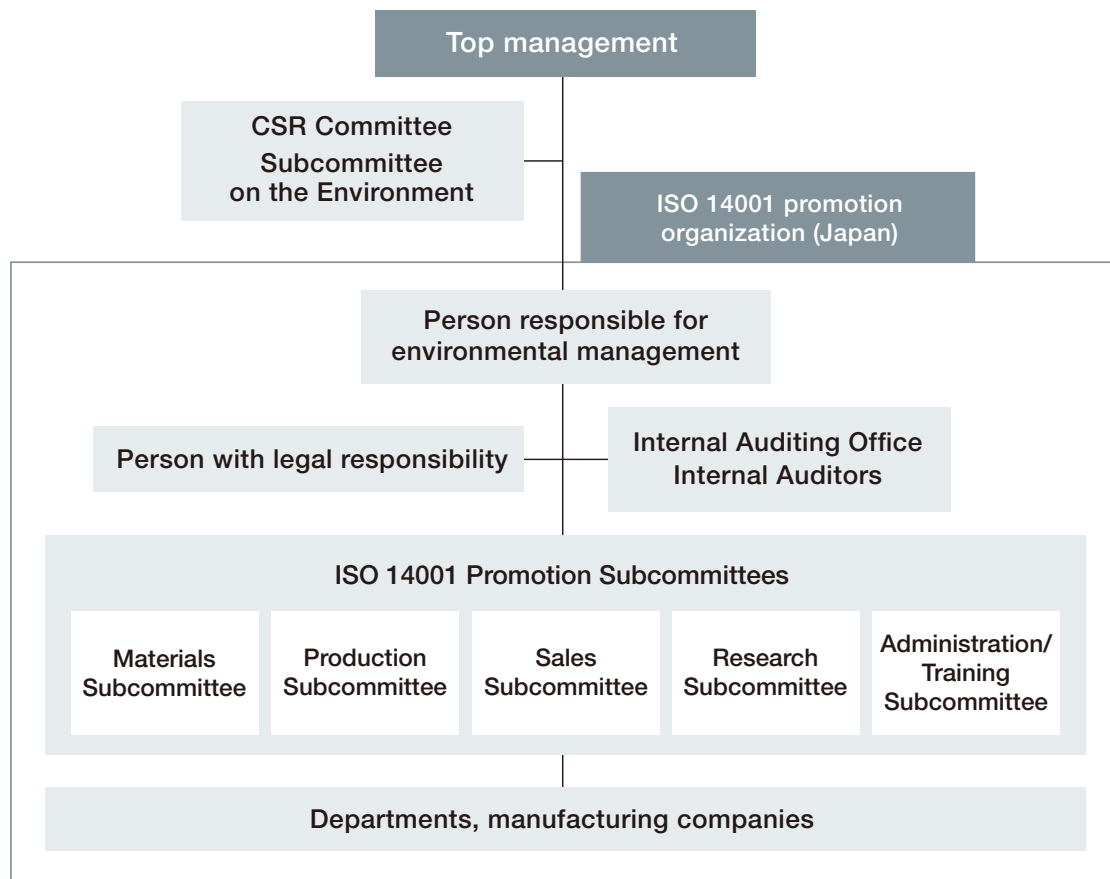
Indicators for Glico Group Environmental Activities

- Reduction in Environmental Impact of Products and Services
- Prevention of Global Warming
- Prevention of Environmental Pollution
- Effective Utilization of Resources
- Qualitative Improvement in Corporate Activities through Greater Efficiency and Review of Operations
- Initiatives towards Environmental Education and Safety
- Promotion of Environmental Communication



We promote environmentally friendly corporate activities throughout the entire value chain.

System for Promoting Environmental Activities



Environmental Performance

Targets and Results

FY2023 Targets

1. Environmentally friendly design of products
 - Increase usage rate of forest certified paper in paper packaging
 - Reduce use of one-way plastic packaging
2. Energy-saving, resource-saving initiatives, and initiatives for the prevention of global warming
 - Reduce total CO₂ emissions
 - Reduce logistics CO₂ intensity
3. Initiatives for zero waste and food loss
 - Promote food recycling and reduce food waste that cannot be effectively used
4. Environmental education as well as coexistence and communication with local communities
 - Establish coexistence and good communication with local communities through environmental education and community development activities

FY2022 Initiatives and Results

1. Environmentally friendly design of products

FY2022 targets	Results/achievement rate	Evaluation
Reduce use of one-way plastic packaging	Did not achieve target reduction rate	Fail
Promote the switch to environmentally friendly packaging	Increased usage rate of forest certified paper	Pass

2. Energy-saving, resource-saving initiatives, and initiatives for the prevention of global warming

FY2022 targets	Results/achievement rate	Evaluation
Reduce CO ₂ emissions by 8% of benchmark	24% reduction (CO ₂ emissions from domestic manufacturing companies)	Pass
Achieve logistics-related CO ₂ emissions intensity of 99% or less of benchmark	94.7% (per sales of domestic manufacturing companies)	Pass

3. Zero industrial waste (zero emissions) initiative



FY2022 targets	Results/achievement rate	Evaluation
Achieve raw material loss across all manufacturing companies of 95% or less of benchmark	90% (domestic manufacturing companies)	Pass
Reduce product disposal by 12% or more of benchmark	48% (Waste from domestic product disposal that is not recycled through food recycling)	Pass

4. Environmental education

We carry out periodic environmental education to ensure that employees raise their environmental awareness and actively apply themselves to environmental protection activities in both their public and private lives. This includes using e-learning, and then conducting tests to check understanding.

We also hold training courses for group members who gained more specialized knowledge relating to ISO 14001 to act as internal auditors.

Environmental ISO-related education and training courses

 <p>A (completed previously): Periodic environmental education</p> <p>Type: E-learning</p>	 <p>B (target participants only): Internal auditor training seminar follow-up course</p> <p>Type: E-learning</p>
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FY2022 targets	Results/achievement rate	Evaluation
Conduct 2 environmental education courses (including external courses)	2 courses	Pass
Conduct 35 environmental activities	66 activities	Pass

Administrative guidance, feedback, etc.

In FY2022, the Glico Group was not involved in any administrative penalties, lawsuits, or similar issues relating to the environment.

We were notified by Akishima City that certain wastewater standards were exceeded at Tokyo Factory. The results of analyzing the cause showed nothing unusual in the factory's wastewater at the time of sampling. We reported to Akishima City that the reason was due to an inflow of domestic wastewater—which is not subjected to water quality standards—from a different system into the discharged water and obtained the city's acknowledgement.

Regarding the report about revision of water quality analysis data at Chiba Factory, we have provided a report titled “Regarding the report about revision of water quality analysis data at Chiba Factory of Glico's production subsidiary” (204 KB PDF file in Japanese) dated March 7, 2023.

As a major incident, the Glico Group will take thorough measures to prevent reoccurrence.

Energy and Other Environmental Impact

Changes in energy and other usage

Main energy and materials (units)	FY2022	YoY	FY2021	FY2020
Energy intensity (kL per 100 million yen)	26.9	100%	26.9	28.8
Electricity (1,000 kWh)*	147,855	103.1%	143,368	147,495
City gas (1,000 m³)	11,617	94.8%	12,260	13,038
LPG; Liquefied petroleum gas (tons)	99	135.6%	73	81
LNG; Liquefied natural gas (tons)	926	103.0%	899	0
Heavy oil (1,000 kL)	2.2	94.2%	2.3	4.6
Gasoline (1,000 kL)	0.7	140.0%	0.5	0.4

*Excluding power generation from cogeneration systems

Input			Glico Group	Output		
Raw material or ingredient				CO ₂ (tons)*	90,941	
Packaging materials				Waste output and reuse	Resource recycling (tons)	14,543
Main energy and materials	Electricity (1,000 kWh)	140,438			Waste (tons)	292
	Water (1,000 m ³)	2,571			Recycling rate	98%
	City gas (1,000 m ³)	11,617		Wastewater (1,000 m ³)*	1,986	
	LP gas (tons)	99				
	LN gas (tons)	926				
	Office paper usage (tons)	36.8				
Gasoline (1,000 KL)	0.7					

*CO₂ emission factors for each electricity provider are adjusted from FY2021 results released in January 2022

Glico Group

*CO₂ emission factors for each electricity provider are adjusted from FY2021 results released in January 2023.

*Results include the head office departments and sales departments of group company Glico Nutrition.

Environmental Management System

The Glico Group has been working for a long time to control environmental pollution and conserve energy and resources. We established the Environmental Policy in February 2002, and since that time we have continually been working to reduce environmental impact and protect the environment based on the requirements of ISO 14001, an international standard for environmental management systems.

Companies and factories that have acquired ISO 14001 certification (FY2022)

- Ezaki Glico Co., Ltd.
- Nasu Factory
- Chiba Factory
- Tokyo Factory
- Mie Factory
- Kobe Factory
- Kaibara Factory
- Saga Factory
- Shanghai Ezaki Glico Foods Co., Ltd., Branch No.2
- Bangkadi Factory, Thai Glico Co., Ltd.
- Sendai Factory
- Ibaraki Factory
- Kitamoto Factory
- Gifu Factory
- Osaka Factory
- Hyogo Factory
- Tottori Factory
- Shanghai Ezaki Glico Foods Co., Ltd., Branch No.1
- Shanghai Ezaki Glico Nanfeng Foods Co., Ltd.
- Rangsit Factory, Thai Glico Co., Ltd.

Efforts to Address Climate Change

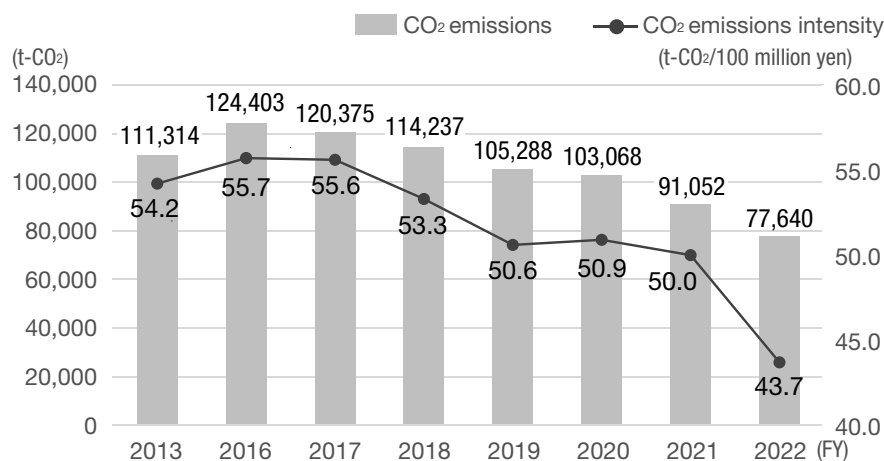
We are working to reduce CO₂ emissions by managing the amounts of electricity, natural gas, and other energy used in our business activities. When replacing equipment at our factories and other facilities, we switch to energy-saving types.

Efforts in Production

Electricity, gas, and various other types of energy are used in production. We are making operations more efficient, and promoting energy conservation. Also, equipment that uses energy is being systematically upgraded to energy-saving types. Equipment using fuel oil, which emits a large amount of CO₂, is being systematically converted to use gas or other forms of energy while taking efficiency into consideration. As for water use, we purify industrial water at some factories and use it as service water for toilets, etc. In some production lines we reuse cooling waste water for cooling refrigeration equipment.

Total CO₂ emissions for FY2022 were further reduced from FY2021. In addition to existing energy-saving activities, switching to electricity derived from renewable energy (with non-fossil fuel energy certificates) for the electricity used in factories is leading to significant reductions. As a result, there has been a significant decrease in the CO₂ emissions intensity per unit.

CO₂ emissions in production



*Uses adjusted emissions factor for each electric utility in each fiscal year.

*Intensity is defined as t-CO₂/production (100 million yen).

*Converted to annualized results for January–December 2019

Example: Efforts toward adopting renewable energy at domestic factories

In April 2022, Ibaraki Factory switched fully to electricity derived from renewable energy for its purchased electricity, increasing the ratio from 10% to 100%. This is expected to result in CO₂ reductions of about 3,500 tons per year.

With the other five factories in eastern Japan making a similar switch fully to electricity derived from renewable energy in April 2023, approximately 50% of the electricity being used by factories in Japan will come from renewable energy.

Example: Efforts toward CO₂ reduction at domestic factories

In February 2020, Kobe Factory upgraded its cogeneration system. This upgrade has contributed to an annual reduction of approximately 960 tons of CO₂, approximately 4% of the total emissions for the factory compared to before the upgrade.



The cogeneration system



The boiler converted to LNG (liquefied natural gas) fuel

Example: Efforts at Shanghai Ezaki Glico Nanfeng Foods Co., Ltd.

At Shanghai Ezaki Glico Nanfeng Foods, solar panel power generation (Phase 1) commenced in December 2021, achieving an annual generation of approximately 460,000 kWh. In 2022, Phase 2 panel installation commenced, and power generation began in February 2023. Combined, Phase 1 and Phase 2 are expected to generate approximately 700,000 kWh annually, resulting in a reduction of 294 tons of CO₂ emissions.



Example: Efforts at Glico Manufacturing Indonesia



Glico Manufacturing Indonesia, a new factory for *Pocky* full of the latest technologies, was completed at the end of March 2022. It represents the largest in-house *Pocky* factory to date, with a site area of approximately 60,000 m² and a total building floor area of around 57,000 m². Solar panels installed on the roof are expected to generate approximately 1,240,000 kWh of electricity and reduce around 1,100 tons of CO₂ emissions per year.

Glico Manufacturing Indonesia

Efforts in Logistics

In the Glico Group, we are reducing CO₂ emissions, taking into account energy usage and load efficiency during product transportation.

- Expansion and review of logistics centers based on overall logistics efficiency
- Improvement of delivery efficiency through expansion of joint delivery with other companies in the industry
- Improvement of load capacity through use of trucks with increased tonnage
- Promotion of modal shift to rail transportation

Efforts in Offices

The greatest use of energy in the office is air conditioning. To reduce electricity usage, we promote the Cool Biz and Warm Biz campaigns, and provide guidance to ensure customers visiting the company understand the policy. In terms of facility management, we have switched office lighting and electronic devices to energy-saving models, and we encourage the thorough powering off of devices when not in use. Furthermore, for office consumables such as copy paper and business cards, we exclusively use FSC certified paper.

Efforts in Sales

In sales, we promote greater efficiency and energy conservation in operations, as well as environmentally friendly driving among our employees. We are promoting a switch to hybrid vehicles with lower CO₂ emissions. At Glico Channel Create, we have adopted electric vehicles with low CO₂ emissions.

Qualitative Improvement in Corporate Activities through Greater Efficiency and Review of Operations

Based on the idea that improving our business activities by reviewing tasks and making them more efficient can help to reduce environmental impact, we are taking steps such as improving productivity and reducing loss in our business activities.



Awards, Certifications, Etc.

The Glico Group has received environmental awards and certification from multiple government bodies in the areas where our business sites are located.

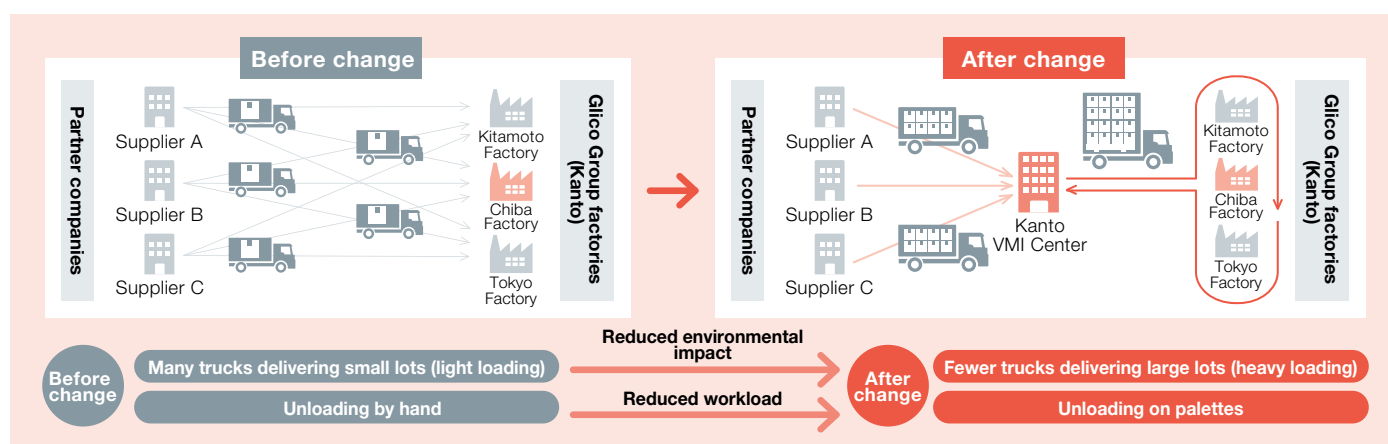
Example: Certification as a company meriting the Eco Rail Mark

Products with Eco Rail Mark certification



Example: As part of the FY2020 Excellent Green Logistics Commendation Program, we received the METI Minister's Award

In October 2019, we started developing our Vendor Managed Inventory (VMI) system as part of efforts to address social issues related to logistics. This new logistics system is an integrated system for managing the raw materials we use in food manufacturing in collaboration with suppliers. In addition to reducing environmental impact by reducing the number of trucks in use, it also helps reduce work associated with unloading trucks at the time of delivery.



Example: As part of the FY2021 Excellent Green Logistics Commendation Program, we received the MLIT Minister's Award

Together with NEXT Logistics Japan (NLJ) and 14 other companies, we have developed a high-efficiency transportation scheme to address the social issue of fewer deliveries caused by a shortage of drivers. Transportation that used to be separately arranged by companies in different industries with varying business models are consolidated at NEXT Logistics Japan's cross-docking centers and transported using 25 m class double-coupled trucks under this initiative, which sought to increase transportation efficiency, save labor, and improve the working environment.

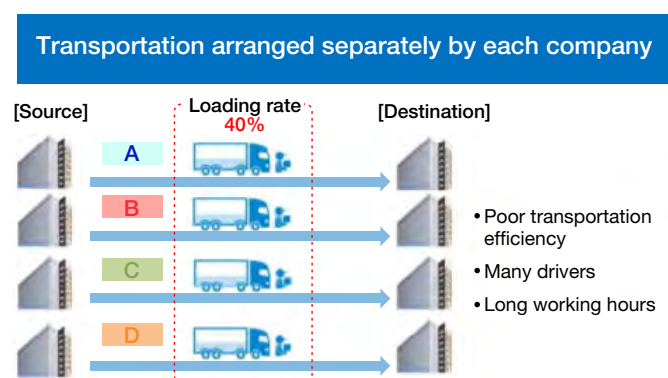
Companies

NEXT Logistics Japan, Asahi Group Holdings, Ezaki Glico, GION, Konoike Transport, Suzuyo, Chiyoda Transport, TRANCOM, Nichirei Logistics Group, Nissin Foods Holdings, Nippon Konpo Unyu Soko, Nippon Paper Logistics, Hino Motors, Bridgestone, Mitsubishi HC Capital, U-netrans

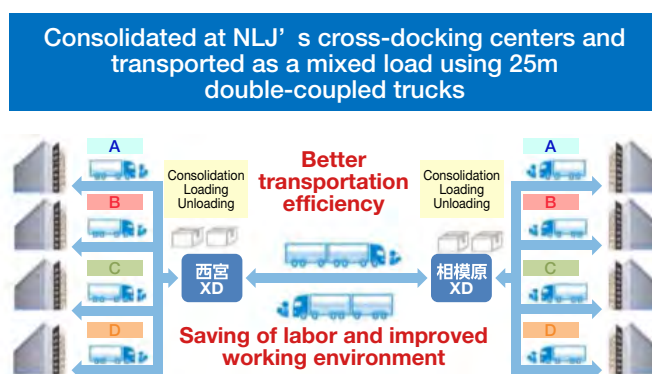
Business overview

The goal is to address social issues by developing a high-efficiency trunk-route transportation scheme—using the expertise and CASE technologies of partners across different business models—and allowing this scheme to be used by a variety of parties involved in logistics.

Before



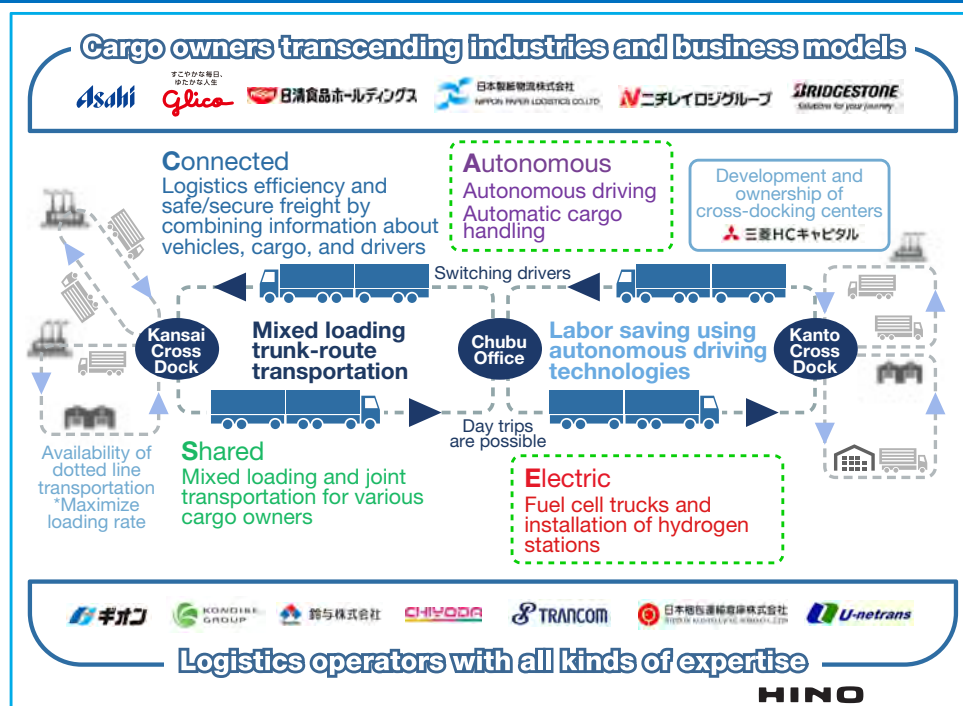
After



Concept

Future concept currently being promoted toward implementation

To achieve maximum labor saving, efficiency, and CO₂ reduction by using the expertise of various logistics operators and controlling trunk and branch routes in total to transport the cargo of cargo owners transcending industries and business models



Example: As part of the FY2022 Excellent Green Logistics Commendation Program, we received the Logistics Digital Transformation and Standardization Award

We received the FY2022 Logistics Digital Transformation and Standardization Award for our optimization model using AI vehicle dispatch in the area of chilled sales logistics. AI vehicle dispatch was introduced with LYNA LOGICS, Inc. and ZENRIN DataCom CO., LTD. to improve loading capacities, reduce CO₂, and shorten working hours by improving the efficiency of delivery vehicles. Based on delivery conditions such as volume, lead times, and delivery times, AI planned high-loading and efficient delivery routes and made fine adjustments to delivery times to significantly reduce CO₂ as well as lower the number of vehicles and shorten working hours.

**Project name: Improving the efficiency of chilled sales logistics through tri-party cooperation
—Achieving an optimization model using AI vehicle dispatch that overcomes the crisis in logistics**

Companies

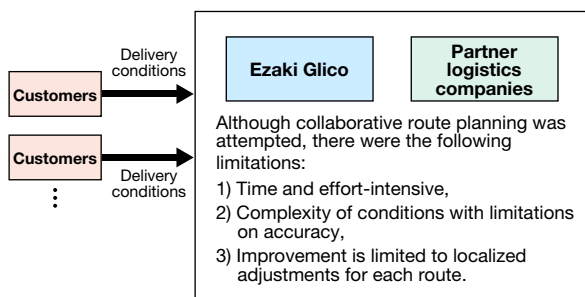
Ezaki Glico, Konoike Transport, SEIWA, ZENRIN DataCom, LYNA LOGICS, Daisei every24

Business overview:

In chilled sales logistics, delivery conditions are strict and it is difficult to improve efficiency. An AI vehicle dispatch system was introduced and used to achieve a method for designing optimized delivery routes without solely depending on human experience and intuition. Together with reviewing the delivery conditions for customers and lessening the workload of drivers by changing vehicles and reducing incidental tasks, we established an environment that allows actual operations to be carried out while referencing the appropriate model shown by AI to achieve reductions in CO₂, the number of vehicles, and working hours while improving loading capacities.

Before

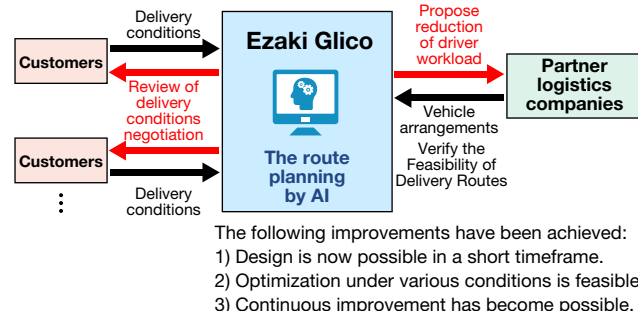
- In chilled sales logistics, best-before-dates and delivery lead times are short and delivery conditions are strict.
- Routes are designed manually based on experience and intuition according to the delivery conditions provided by each customer.



Comparing Partial Route Restructuring	Loading capacity	52%
➡ Low Payload/ Inefficient Delivery	Number of vehicles	47 cars/per day
	Working hours	376 hours/per day

After

- An environment has been established, allowing actual operations to be carried out while referencing the route optimization model by AI.
- Negotiations are conducted with customers to review delivery conditions for achieving optimized models.



The Entire Route Restructuring	Loading capacity	71%	+ 19%
➡ High Payload/ Efficient Delivery	Number of vehicles	34 cars/per day	▲ 28%
	Working hours	307 hours/per day	▲ 18%

Features

- The three relevant parties achieved greater cooperation efficiency through the introduction of the system and improvement of frontline operations.
- The use of AI allows continuous improvement, and significant effects can also be expected in the future through adoption across the area of chilled sales logistics.
- Proper vehicle dispatch and reduction of driver workload also contribute toward improving the working environments of logistics operators.

Effects

- CO₂ reduction: 379.0 t-CO₂/year (18% reduction)
- Reduction in number of vehicles: 4,745 vehicles/year (28% reduction)
- Reduction in working hours: 25,185 hours/year (18% reduction)
- Annual loading capacity: 71% (19% improvement)

Example: Participation in White Logistics Movement

Ezaki Glico supports the White Logistics Movement, an initiative put forward by Japan's Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry and Ministry of Agriculture, Forestry and Fisheries. We have also submitted a declaration of voluntary action to the secretariat of the White Logistics Movement. The movement aims to contribute to economic growth while addressing the increasingly serious issue of a shortage of truck drivers and ensuring stable logistics systems that are needed for daily living and industrial activities in Japan. It also seeks (1) improvement of truck transportation productivity and logistics efficiency, and (2) creation of a working environment that makes it easier to work for women and drivers in their 60s. Going forward, we will continue cooperating with logistics companies in an environment of mutual understanding as we work to improve efficiency and productivity for the logistics industry.

Initiative	Details
Proposals and cooperation for logistics improvement	Respond sincerely and actively work with receivers (business partners) when asked by logistics companies to reduce long waiting times, amend incidental tasks, and otherwise improve logistics.
Adoption of a reservation system	Adopt a truck reservation system to reduce time spent waiting to load cargo.
Use of pallets, etc.	Reduce cargo handling time by using things like pallets, hand trucks, foldable containers, and returnable boxes.
Provision of advance notice of shipment information from shipper	When sending cargo as the shipper, provide information on cargo arrival as early as possible to ensure sufficient time for logistics companies and receivers.
Extension of lead times	Cooperate with receivers (business partners) to extend lead times between ordering and delivery to ensure stability of vehicle dispatch.
Modal shift to sea and rail	Change from trucks to ferries, roll-on/roll-off ships, and rail for long-distance transportation. With this change, also revise transportation and cost sharing details as necessary.
Documentation of transportation contracts	Document transportation contracts.
Stopping or suspending operations during extreme weather	Avoid making unreasonable transportation requests when typhoons, heavy rain, heavy snow or other extreme weather events occur or are expected to occur. Also, to ensure the safety of drivers, respect the decisions of logistics companies if they determine it necessary to stop or suspend operations.
Improvement of truck transportation productivity and logistics efficiency	<ul style="list-style-type: none">· Increase productivity of transportation by improving the loading of pallets and increasing the size of trucks to carry more pallets.· Cooperate with not only logistics departments, but with procurement, production and sales departments as well, to improve end-to-end logistics efficiency.
Promotion of joint deliveries	Expand use of joint deliveries and improve delivery efficiency by improving load capacities, consolidating delivery destinations, and reducing delivery frequency, etc.

Example: Certification as a Top Level Business with an outstanding approach to addressing global warming

The Kitamoto Factory was certified by Saitama Prefecture as a Top Level Business with an outstanding approach to addressing global warming (April 2018). At the Innovate4Climate (I4C) global conference on climate change measures, hosted by the World Bank in Singapore on June 7, 2019, each country explained its issues and progress surrounding cap-and-trade schemes. The Kitamoto Factory was recommended to the conference by Saitama Prefecture because it had achieved certification as a Top Level Business. One representative attended as a panelist and discussed the ability to achieve considerable reductions in CO₂ emissions not only by capital investments but by improving operations as well.



Discussing progress of CO₂ reductions initiatives at I4C global conference hosted by the World Bank

Example: Contributions to the Green Fund of the National Land Afforestation Promotion Organization

At Ezaki Glico we are contributing part of sales proceeds from gum sold in an eco-friendly pouch to the Green Fund of the National Land Afforestation Promotion Organization. In recognition of this, we received a Letter of Appreciation from the Minister of Agriculture, Forestry and Fisheries (July 2018). We also contributed 10,836 tons of CO₂ reduction credits to Tokyo in support of the city's "Zero Emission Tokyo Strategy" for contributing net-zero CO₂ emissions by 2050 (January 2020).



POs-Ca gum in eco-friendly pouch

Example: VC activities at manufacturing companies

We carry out Value Creation (VC) activities to achieve a high-quality, low-cost production system and highly safe workplace environment through stabilization of production lines. Every year, we bring together manufacturing companies and other participants from the Glico Group and hold a conference to report on VC activities, where we present awards to recognize outstanding efforts.



Conference to report on VC activities

Example: Reduction of overtime work

We are striving to reduce overtime work by raising productivity in operations. Through these efforts, we can also reduce energy usage outside regular working hours.

Example: Efforts toward paperless operations

Since January 2018, the Glico Group has been shifting to paperless operations in order to improve work efficiency and productivity as well as effectively use resources.

Reduction in Environmental Impact of Products and Services

Environmentally Friendly Planning and Design of Products

In the Glico Group, we use raw materials, ingredients, and a variety of other resources to provide safe and secure products. We design products with environmental awareness from the development and planning stage, to reduce environmental impact in all phases of the product cycle, from procurement of raw materials to manufacturing and consumption.

Efforts in Containers and Packaging

We pursue improved containers and packaging to improve overall product quality, and also endeavor to lower environmental impact by reducing the amount of packaging we use.

We indicate packaging material types and recycling marks on our packaging so it is easy to sort and recycle. We also design boxed products in such a way that they can be folded, decreasing the volume of household waste.

Example: Efforts to reduce plastic usage

[Tray]

In FY2018, we embarked on making the plastic trays of Almond Peak and Kobe Roasted Chocolate lighter, reducing approximately 4 tons annually since then.



Reduced-weight plastic tray

[Outer packaging]

In FY2022, we embarked on thinner outer packaging for Pocky (eight packets) and Pretz (eight packets), reducing approximately 42 tons annually compared to the past.



[Straws]

The Glico Group is adopting environmentally friendly packaging, including switching from straws made from petroleum-based plastic to straws made with 5% plant-based materials. All straws that we have been using since 2022 are made with at least 5% plant-based materials.



Products with environmentally friendly straws



Elimination of straws

[Shrink film]

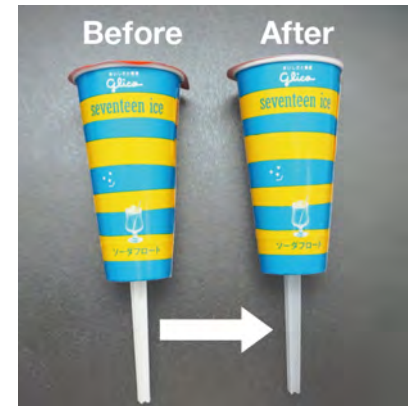
From March 2021, the laminated shrink film used on *Choushoku Ringo* (Breakfast Apple) Yogurt plastic cup containers was eliminated and specifications were changed to enable printing directly on the containers, which reduced usage of plastic. From May, biomass plastic replaced part of the raw materials used to make the containers. These efforts are expected to reduce total plastic usage per year by about 24 tons.



Plastic cup containers without shrink film

[Ice-cream stick]

Since FY2019, 10% of the composition of the stick for *Seventeen Ice Cream* has been replaced with plant-based biomass materials. The stick of *Seventeen Ice Cream* uses polyethylene made from sugarcane.



Part of the *Seventeen Ice* stick is now made with biomass plastic

Example: Use of FSC certified paper

With deforestation becoming a global issue, the use of paper produced and processed from properly managed forests is an important initiative for companies. We are progressively expanding the use of environmentally friendly paper certified by international forest certification organizations such as FSC®^{*1} and PEFC^{*2}.



責任ある森林管理
のマーク

Some products
using FSC®-certified paper



Some products
using PEFC-certified paper



^{*1} Forest Stewardship Council® (FSC®) is a nonprofit organization that aims to spread responsible forest management. The organization establishes standards for responsible forest management and operates an international forest certification system.

^{*2} PEFC, the Programme for the Endorsement of Forest Certification, is a forest certification system established to protect the environment and forests while simultaneously working to prosper industry.

Efforts in vending machines

We also sell Seventeen Ice, beverages, and desserts through vending machines. We are systematically switching the vending machines it uses to the energy-saving type.



Energy-saving vending machine

Efforts to Reduce Food Loss

Reduction of food waste is also one of the themes in the Glico Group Environmental Vision 2050. We aim to achieve a 95% reduction in food waste by 2050 (against FY2015 levels) through initiatives to eliminate disposal—such as increasing supply chain efficiency and improving the accuracy of demand-supply projection—as well as undertaking outlet sales of products with minor flaws that have no quality issues as irregular ones.

Efforts Related to Products

Release of uneven products

The Glico Group is working to reduce food loss and reduce environmental burden through initiatives such as using advanced supply and demand prediction methods to eliminate excess stocks and using factory outlets to sell factory irregulars that might have small defects but no loss of quality.

*Sale locations and periods may vary.



Best-before date notification system

Best-before dates indicate the limits of food quality. They do not mean that the food cannot be eaten immediately after the dates. At Ezaki Glico, we ensure thorough manufacturing and quality control with each product group setting their own best-before dates.

Longer Best-Before Dates and Month/Year Labeling

For products with long best-before dates, we have been working to switch to a month/year labeling system instead of actual dates for these best-before dates because the products exhibit slower quality deterioration and trying to manage dates at the consumption stage is meaningless. This effort not only helps to reduce food loss, but also leads to greater efficiency of operations during product delivery and management.



Indication of best-before dates for curry products

Best-before date notification system for Glico's preserved food products

We provide a service that sends email notifications when best-before dates of Glico's preserved food products (Bisco Preserved Can and Curry Shokunin) draw near. This encourages the consumption of preserved food products—needed during emergencies—before their best-before dates.



Recycling Initiatives

Raising in-house awareness: Food recycling loop initiative in Kobe

We regularly conduct a food recycling loop initiative where the pigs raised on food scraps from our factories are provided as the ingredients for our in-house employee cafeterias. This helps raise employee awareness of waste reduction measures. Fertilizer made from the food scraps is also used in the kitchen garden of the Kodomopia Daycare Center, with the vegetables grown there provided with the midday meals at the center.



Recycling of powdered milk

At the Kaibara Factory, which manufactures the powdered milk for infants Icreo, there were times when powdered milk was disposed when it was unshipped due to reasons such as shipment volume. This unshipped powdered milk is being provided to the nearby center for people with disabilities, which operates a bakery, for use as ingredients for milk bread. This partnership resulted from our purchase of bread from the bakery for employees' consumption, giving birth to a new idea for reducing food loss.



Efforts to donate to food banks

As a food manufacturer, we focus a great amount of effort on reducing waste that is generated during the production process. We also donate completed products to food banks. The main products we donate are yogurts, beverages, and biscuits. At Shanghai Ezaki Glico Foods we have partnered with the Lüzhou food bank to provide food to elementary school students living in impoverished areas. We also communicated to them the importance of valuing food and maintaining a healthy diet. Approaching other food banks as well for potential partnerships, we have been donating retort-packed meals to Co-op Tohoku's Co-op Food Bank since FY2018. In FY2022, we donated a total of 1,890 meals. In January 2020, employees of the Sendai Factory also worked with members of Co-op Tohoku's Co-op Food Bank to distribute donated food to recipients, which enabled them to understand the social importance of food banks. We will continue working closely with local communities to reduce the amount of food loss.



(Left) Working with Co-op Tohoku's Co-op Food Bank; (Right) Volunteering at Lüzhou food bank

Efforts at Factories

Since before, the Glico Group has been working toward zero emissions (achieving zero waste for final disposal (landfill) out of waste emitted from production activities) at factories. Under Japan's Food Recycling Act, the target recycling rate for food manufacturing is currently set at 95%. The Glico Group's factories in Japan continues to achieve an average recycling rate of 95% since 2013. While factories prioritize limiting the generation of loss, for food waste that is generated, the characteristics are taken into consideration when examining appropriate recycling methods. Such food waste is used in various forms as recycled resources, including use as the raw materials for animal feed, compost, and such, and use for generating gas and electricity through methane fermentation.



Activities to Raise Awareness

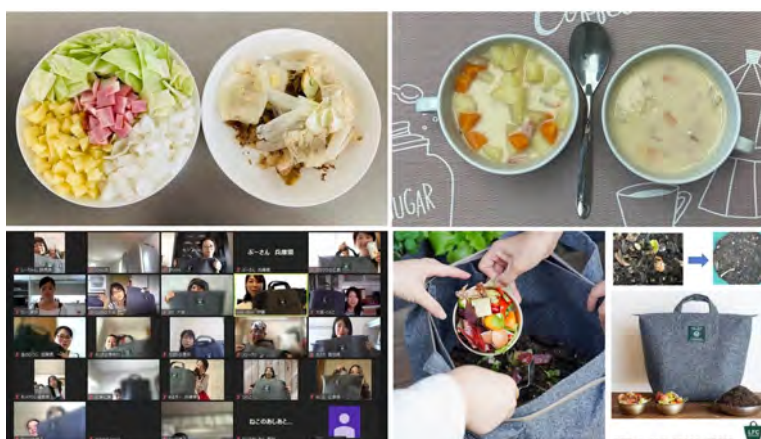
Recipe Contest with a Focus on Reducing Food Waste

The section “Recipe Club” on Glico’s membership community portal “with Glico” offers contents featuring recipes for food items that can be easily made using Glico products. Members can use keywords such as “#nofire” and “#foodlossmeasure” to search for their preferred recipes from among the many available. During Food Loss Reduction Month in October 2022, we held a campaign soliciting recipes based on the theme of using leftover ingredients and received many submitted recipe ideas from members. These recipes can be assessed at any time through the website, providing opportunities to continuously practice food loss reduction.



Fan meetings for practicing food loss reduction

Since 2021, we have been holding meetings for fans based on the concept of food loss reduction on Glico’s membership community portal “with Glico.” In 2021, participants learned about food loss, and at the online cooking session, tried cooking delicious recipes created from ingredients left in the refrigerator. In 2022, participants carried out composting using food waste from homes as compost to experience food recycling. Feedback from them include “I learned new things” and “I hope to use this knowledge in my daily life from here.” Glico aims to make this an activity where consumers can also enjoy working toward reducing food loss.



Cooking almond milk soup using vegetables left in the refrigerator and composting activity using a composting kit

<Source: Images of LFC compost provided by Local Food Cycling Co., Ltd.>

Raising in-house awareness: “Loss-non” tabletop advertising

To raise awareness of activities to reduce waste, we use tabletop advertising of the “Loss-non No-Food loss Project” in our cafeterias and lounge areas.



Sponsorship of the UN WFP "World Food Day Campaign Zero Hunger Challenge"

The "Zero Hunger Challenge: Food Loss x Zero Hunger" campaign is an initiative based on the concept of "delivering school lunches to children in developing countries through food loss reduction efforts. The campaign aims to achieve "Zero Hunger," a world where all people can eat, and to use "food loss reduction" initiatives as a means of providing school lunches to children in developing countries who are suffering from hunger. The Glico Group endorses and supports this initiative.

Effective Utilization of Resources

Environmentally Friendly Procurement of Raw Materials and Packaging Materials

As well as working to ensure raw materials we procure are environmentally friendly, we consider the environment when we choose the materials that we use to produce the containers our products will end up in. We also use environmentally friendly plastic, paper, and ink.

Consolidation of Raw Materials and Ingredients for Efficient Procurement and Use

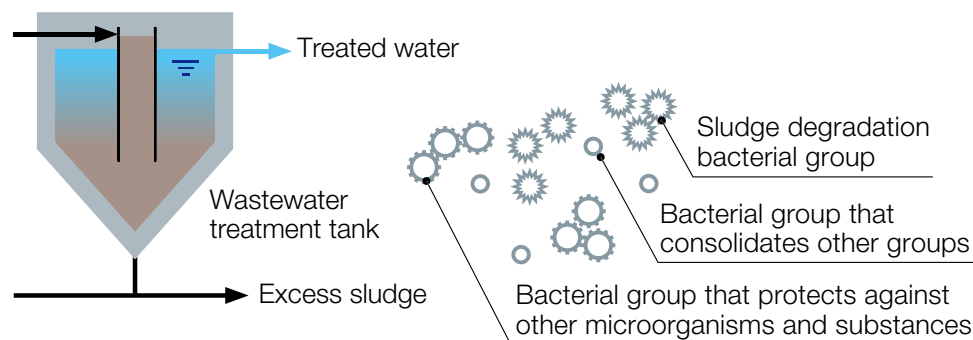
With our commitment to “tastefulness” and “wholesomeness,” we are researching raw materials and ingredients in pursuit of greater quality, and also consolidating the amount we need to manufacture through more efficient, lean manufacturing.

Water Resource Management and Resource Recycling

A number of factories within the Glico Group are working to reduce the consumption of water resources through initiatives such as reusing wastewater for cooling in refrigeration equipment.

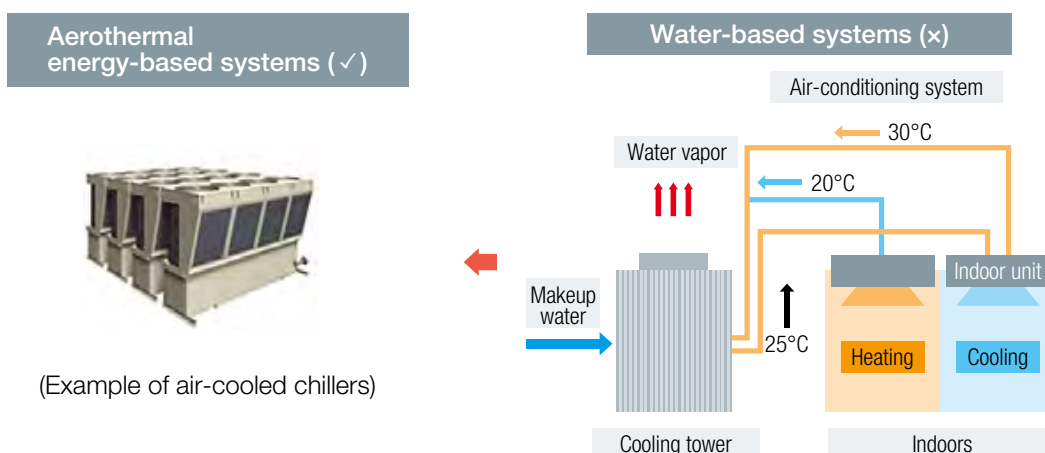
Improved wastewater treatment technologies

Wastewater generated at our factories undergoes purification at wastewater treatment facilities located at each factory, and it is then released after meeting standards for wastewater discharge. Organic matter in the wastewater is treated at each plant through an activated sludge process that uses aerobic microorganisms, generating about 3,000 tons per year of excess sludge as industrial waste. From FY2020, we have been researching and implementing advanced water treatment technologies that have enabled us to both reduce the volume of sludge generated as industrial waste in the wastewater treatment process and improve the wastewater treatment capacity as well. These technologies will be extended to other factories during FY2021.



Reduced water usage

Air conditioning systems that need water for cooling use vaporization heat to achieve heat exchange through cooling towers where supplied water is evaporated. About half of the clean water used at our confectionery factories is used as makeup water for these cooling towers. For this reason, when selecting air conditioning systems for factories from FY2020, we have recommended high-efficiency air-cooled chillers that do not require water for cooling. We have also actively adopted air-cooled systems when installing new systems and updating old systems according to our capital investment plan.



Efforts to Achieve Zero Emissions

Regarding waste generated from business activities, we actively promote the 3Rs (Reduce, Reuse, and Recycle) from the perspective of zero emissions.

* If waste heat from incineration is recovered, or incinerated ash is reused, this is included in resource recycling. We consider achieving a waste recycling rate of over 99.5% as the benchmark for attaining zero emissions.

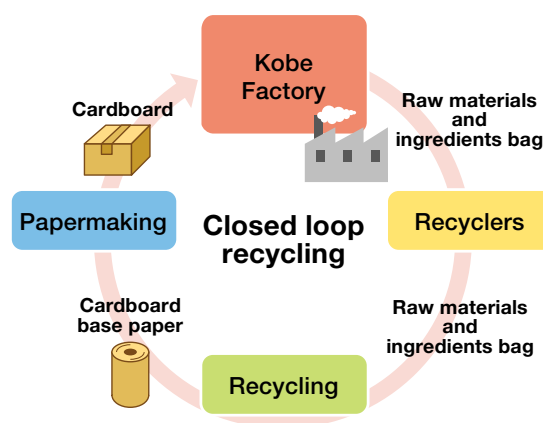
Manufacturing companies

- By improving production efficiency, we are reducing the amount of raw materials and products that become waste, through the reduction of loss from each process, the rationalization of production, and many other types of activities.
- Raw materials delivered to factories are packaged in various ways depending on their characteristics. In collaboration with business partners, the Glico Group is working to reduce the packaging materials it uses and also ensuring the quality of the raw materials it procures. Efforts include reusing containers used to transport raw materials, and eliminating excessive packaging.

Example: Effective utilization of resources

The Kobe Factory started using recycled materials from March 2019 as a portion of the cardboard base paper it uses for its products. In collaboration with a cardboard manufacturer, it was able to reuse the heavy-duty plastic bags that it had previously recycled as RPF solid fuel for boilers.

In January 2022, the Kobe Plant began recycling loop in which cardboard generated at the plant is similarly recycled and processed for use at the Kobe Plant.



Head office (administration departments and research departments)

By setting up refuse sorting stations based on meticulous sorting standards, we have changed from a mindset of throwing away to a mindset of reuse, by sorting to recycle resources. We are currently working to reduce waste itself while reviewing the way we work and going paperless in offices.

Sales departments

To address waste merchandise connected to Ezaki Glico's sales departments, we have been endeavoring since fiscal 2002 to recycle resources by recycling this waste into animal feed and fertilizer. Since sales promotion materials used at supermarkets and other outlets generate a large amount of waste, we have established a systematic use plan, and are working to ensure no waste of resources.

With Society

We will contribute to realize society with smile and happiness, through business.



[Quality Management] Our thoughts and commitment to quality

The Glico Group's attention to quality lies in consistently ensuring safety and security—from raw material procurement to production and distribution—until products are delivered to customers, and in working each day to improve the quality of products and services with a focus on customer satisfaction. Thus, our employees strive to make improvements autonomously in our daily work with strong consciousness for problems. As it is important to always practice this, we will achieve Glico quality by honestly implementing our quality policy of prioritizing quality.

Glico Group Quality Policy

The Glico Group believes that success depends on delivering safe and trustworthy products and services to people around the world. We have developed the Glico Group Quality Policy that clarifies our stance and activities to achieve this mission. We are promoting activities with the understanding and cooperation of all stakeholders including our customers and business partners as well as all Glico employees.

We promise to provide safe products and services with peace of mind to our customers and consumers all over the world.

1. Enhancing customer and consumer satisfaction

- We will fully comply with all laws and regulations related to the products and services.

2. Safety and peace of mind

- We will prioritize the quality in all activities from raw material procurement to sales to provide safety and peace of mind to our customers and consumers.

3. Full compliance

- We will fully comply with all laws and regulations related to the products and services.

4. Information disclosure

- We will faithfully deliver accurate information which customers and consumers are easy to understand in order to gain their trust.

5. Continuous improvements

- We will ensure product safety and continue to pursue better quality based on global quality and food safety management system.

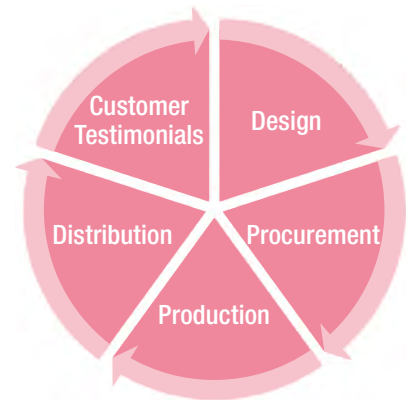
Each and every employee of the Glico Group will understand and implement the above.

Established in September 2020

Revised in January 2023

To Ensure Great Taste

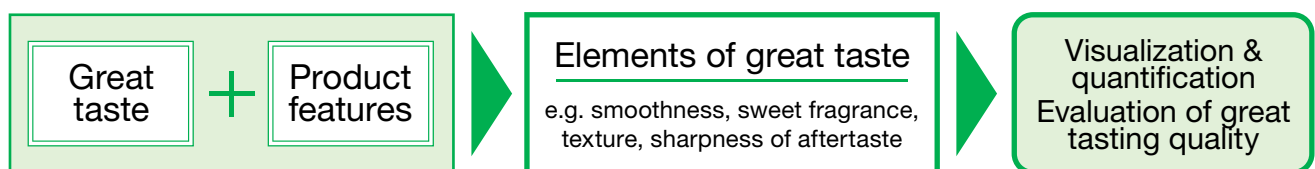
To improve the great taste enjoyed by customers who consumed Glico products and the great taste of products that Glico will be launched in the future, the entire value chain—including product design and manufacturing divisions—will listen to the voices of customers to create even better quality.



Visualization and Quantification of Great Tasting Quality

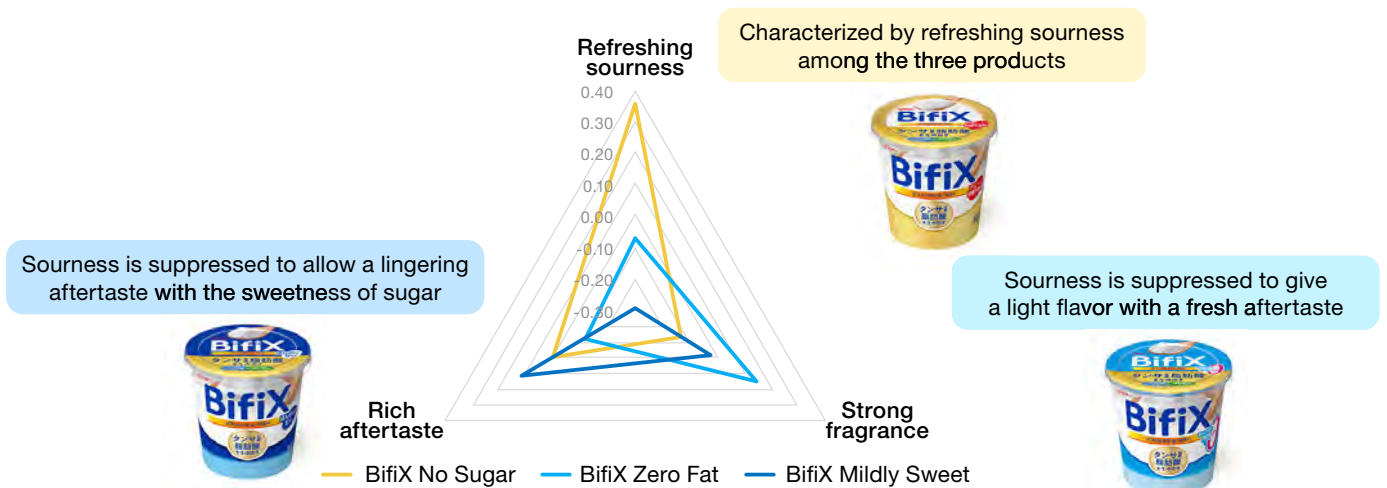
Splitting great taste into elements for evaluation

The Quality Assurance Division uses analytical devices to visualize and quantify great tasting quality to strengthen our capabilities for ensuring the quality of great taste. Specifically, we work to improve the quality of product design and manufacturing by using the analytical capabilities of devices to visualize and quantify the great taste experienced from product characteristics for each category and the great taste arising from the features of each product.



Example 1: Flavor characteristics of three

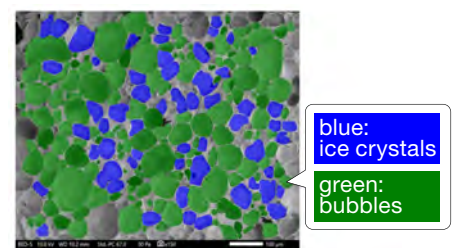
BifiX yogurt products The three *BifiX* yogurt products differ in their respective flavor characteristics to cater to a wide range of customer preferences.



Comparison using taste sensor

Example 2: Micro-level observation of ice cream

We investigate the size and shape of ice crystals and air bubbles in ice cream to compare texture such as smoothness.



[Quality Management] Safety and Security Initiatives

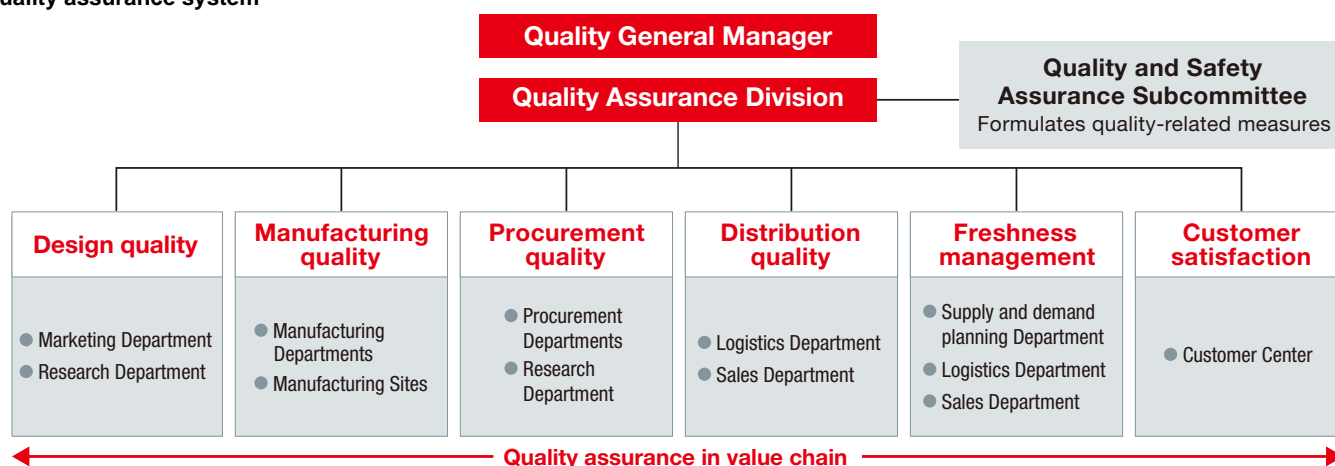
To deliver products with safe and secure quality to customers, we comply with laws and regulations and pursue safety and security daily from the perspectives of customers in all steps until products reach the hands of customers, from product design to the selection and purchase of raw materials, manufacturing at hygienic factories, transportation and storage under temperature control, and management of freshness at retail stores.

Quality Assurance System and Initiatives

Ezaki Glico undertakes quality improvement activities as one company based on the quality policy of prioritizing customers. The Quality Assurance Division collaborates with the entire company, and in particular, the departments in charge of the value chain (sales, marketing, manufacturing, procurement, and research departments as well as the Glico Customer Center) to maintain and improve the quality assurance system. Specifically, it carries out the following initiatives.

1. We clarify responsibilities for quality assurance in each process, and work to build and improve the system to facilitate quality assurance at every stage until products reach the hands of customers, from product development and manufacturing through to advertising and sales promotion activities.
2. We establish standards for raw material use and selection of factories and warehouses, and conduct quality audits with auditors certified through internal tests.
3. We acquire FSSC 22000 certification for food safety management system at each manufacturing site. At each site, internal audits are conducted by qualified personnel with in-house licenses, who identify quality risk factors relating to products or the manufacturing environment to implement continuous improvement.
4. We stay abreast of government and social trends within and outside Japan, quickly respond to changes in laws and regulations, and establish and operate a quality risk information management system to anticipate and take preventive action against risks concerning food safety and security.
5. We promote quality assurance activities that comply with CODEX and such to establish a quality assurance system that meets global standards.
6. Every morning, relevant departments check the details of customer feedback received up until the previous day and use such feedback to improve quality so as to reflect the opinions of customers in our products and services.
7. We conduct a range of education and training to nurture in employees a culture of prioritizing and ensuring quality.

Quality assurance system



Quality Assurance Management System

In FY2020, Ezaki Glico decided to strengthen our quality assurance system across the entire value chain and work on value creation. Accordingly, we declared our quality policy and all departments promote activities toward the creation of quality value to achieve this policy. The creation of quality value is not only about activities to prevent the recurrence of quality issues. We aim to minimize quality risks and deliver safety and security to customers by planning and implementing measures with aims such as enhancement of great tasting quality and preventive quality assurance, and in doing so, increase customer satisfaction and improve quality assurance to the level of quality value. Toward the creation of quality value, our manufacturing factories continuously work to improve food safety and quality assurance through FSSC 22000 certification for food safety management systems. In addition, our head office departments practice the creation of quality value by making quality declarations regarding quality value in their respective fields as well as formulating and implementing activity plans to enhance quality value. These activities are undertaken as our quality assurance management system (QAMS), which carries out continuous improvements within the PDCA cycle of departments regularly reporting the details of their activities, evaluating the appropriateness of activities, and providing instructions for revisions and rectifications by making clear issues for improvement. Furthermore, regarding Ezaki Glico's quality assurance in general, we verify the effectiveness of our QAMS at our annual management review. By undertaking with priority the issues for improvements made clear through this process, we maintain the system in a good state while seeking to further enhance quality value.

Quality Risk Information Management System

To minimize risks in quality with severe impact on corporate management, the Glico Group seeks to establish a preventive quality assurance system that quickly grasps potential risks and takes measures to prevent or minimize impact from these risks. Through the establishment of this preventive quality assurance system, we aim to achieve a state where risks (issues) are handled before they manifest, (1) collecting and identifying quality risk information (risk identification), (2) analyzing and evaluating the degree of impact of the collected information (risk assessment), and (3) eliminating, preventing, or mitigating risks (risk countermeasure) when it is assessed that there are quality risks.

Specifically, (1) amid an information society with diverse and wide-spanning information, we collect information that may become quality risks for the Glico Group among information being disseminated daily, whether in Japan or overseas. (2) After analyzing if the collected information will be a quality risk for the Glico Group (risk analysis), we evaluate the necessity for response. (3) When it is assessed that response is necessary, we discuss measures and implement them through collaboration between the various departments. The useful information obtained from going through this cycle is made into a database and accumulated as knowledge, and we use it as our internal issue management system.

Procurement Quality

Raw material safety

Selection of ingredients

We only select suppliers capable of providing quality measuring up to the standards of the Glico Group. We have put in place a system to ensure that we receive safe ingredients. This involves preparing, before delivery begins, ingredient and raw material delivery standards which describe compliance with relevant laws and regulations and ingredients in detail and guarantee their safety, and sharing them with suppliers. In addition, we conduct checks for agricultural chemical residues, GMO farm products, allergens, and so forth.



(Left) Allergen testing; (Right) Laboratory testing of safety

Raw material and ingredient procurement and delivery

We comply with food safety manuals established based on FSSC 22000 at each manufacturing site. We strictly check the temperature, labeling, appearance and other characteristics at receipt upon acceptance of raw materials or ingredients. Also raw materials and ingredients are verified for quality just before use. Moreover, we have developed a system for assigning barcodes, so the history of use can be tracked.



(Left) Pesticide residue analysis; (Right) Checking and recording at raw material receipt

Manufacturing Quality

Manufacturing facility and equipment management

In accordance with our quality standards, we attempt to manage hygiene, temperature, humidity, quantity, packaging/printing defects and other issues, and to prevent contamination by foreign objects. To prevent quality trouble due to manufacturing equipment, we have established machine design standards, and we carefully ascertain that these standards are met when new equipment is installed.

Quality Instructor & Auditor Certification System

We visit the factories of raw material manufacturers, packaging manufacturers, and manufacturing contractors as well as the warehouses of logistics contractors to conduct audits on their quality assurance systems and provide guidance on improvement areas. To allow these activities to function effectively, we established an internal qualification system where only qualified personnel guide and audit quality at suppliers. This qualification is given only to those who have completed the learning program for acquiring the required expert knowledge—such as laws and regulations related to food hygiene, the Glico Group's internal standards, and the audit checks based on the specifications of FSSC 22000—and passed the test. Qualified personnel are required to always keep up with the latest knowledge as this qualification is valid for two years, and it is necessary to complete the learning program and pass the test again during renewal.

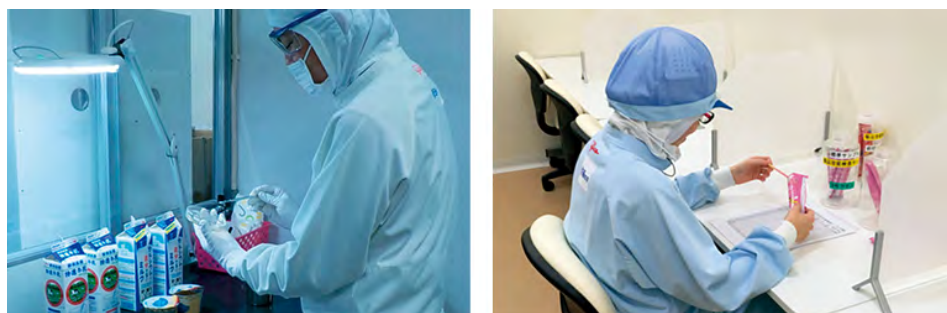
Design quality

Continuous improvement of design quality and ensuring daily product quality

We check design quality with a focus on market shelf life, through methods such as acceleration testing and strive for continuous improvement. Even at the manufacturing stage, we double-check that manufacturing matches design quality through pre-shipment testing.

Examples of design quality checks

- Flavor, mouthfeel
- Appearance
- Microorganisms
- Oil and fat oxidation (using light or oxygen)
- Temperature tolerance (melting, bloom test)
- Moisture value, water activity
- Transportation resilience, etc.



(Left) Microorganism testing; (Right) Sensory testing

Quality Education Policy

- Quality education is conducted as the foundation of our quality assurance system to develop a quality culture.
- Quality education aims to improve the quality awareness of all employees and is continuously undertaken to steadily establish an awareness of prioritizing quality.
- Quality education aims to achieve an organization that provides products and service that change quality assurance to quality value by developing human resources with a high level of quality awareness.

Logistics Quality

Transportation and Storage Quality

Transportation quality

We are working with logistics companies to protect products up to delivering them to our customers by ensuring traceability, solving problems, forming plans for food defense, and taking other steps.

Storage quality

During storage too, we work to protect products using the same techniques described above, and we only ship to market those that conform to the standards of the Glico Group based on proper inventory management.

Management of freshness

The management of product freshness is an important work of sales. Specifically, we visit retail locations each day to check the state of product display and best-before dates. In addition, to allow products to be displayed safely and securely in stores, our employees in sales acquire knowledge and skills by attending seminars on product handling. Furthermore, the Supply and Demand Planning Division makes sales demand forecasts while the Logistics Division carries out properly managed storage and transportation of products, through which we implement management that maintains freshness at the appropriate temperature.

Seminars on Product Handling

The Glico Group manufactures and sells products across a diverse range of categories, including confectionery, ice cream, and chilled products. We conduct seminars through our e-learning system so that employees in sales can acquire the required knowledge, such as the raw materials and manufacturing methods of these products and keys points of quality management according to product characteristics. These seminars can be repeated at any time, and employees use the knowledge learned here to improve logistics quality and freshness management.

Quality That Satisfies Customers

The Glico Group believes that good quality means providing products and services that satisfy customers. We listen to feedback received from customers, and besides words of praise, we reflect on harsh feedback, sharing them with all departments and promoting improvement activities so that we can provide even better products and services. We unceasingly work on these activities and strive each day to meet the expectations of our customers.

Quality Rules of Overseas Sites

Food is something rooted in the local community. Therefore, besides complying with the laws and regulations of countries, the Glico Group seeks to deliver products that match the culture and customer preferences of each country. However, there is no border when it comes to food safety and quality assurance, and we apply Japan's thorough quality management to all products to maintain a high level of quality and safety. Specifically, we practice quality assurance management from raw material procurement to product delivery. In particular, for food safety assurance during manufacturing, all Glico Group factories* acquire Global Food Safety Initiative (GFSI) certification, striving to allow customers to consume products with a certain level of quality at all times with peace of mind. Furthermore, the departments in charge of quality in each country cooperate with the Quality Assurance Division in Japan, seeking even higher levels of quality and continuing to make improvements. *Excluding certain affiliated companies.

Realizing Customer Satisfaction

Solving Problems from the Customer's Perspective

We sell baby milk and various other products for infants and children. Therefore, demands from customers for those products are very high. At the Customer Center, we empathize and work closely with customers, and our main focus is devoting every effort to resolving customer problems.

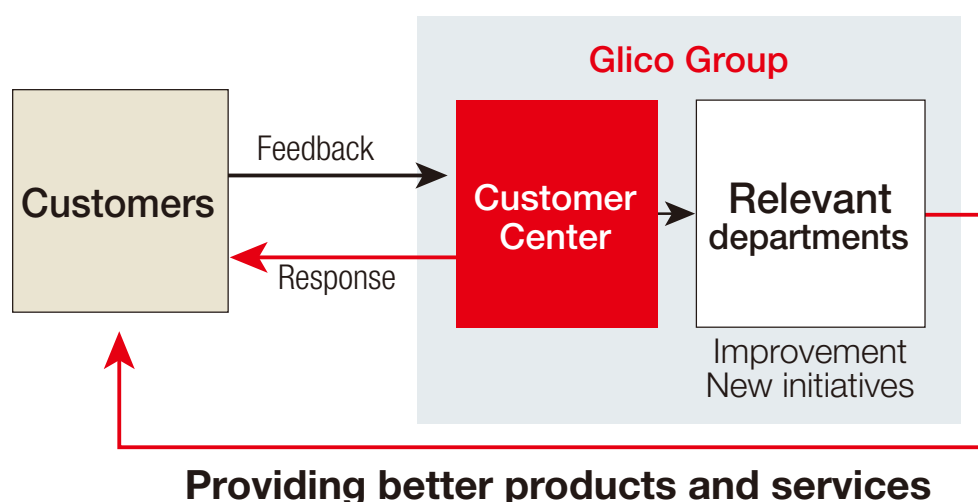
Customer Center

The center receives roughly 50,000 telephone calls, emails, and letters from customers every year. When customers contact the center, we respond promptly, politely, and in good faith, and provide accurate information.

Improvement of products and services

We share customer feedback throughout the company, and use it to improve products and services. Customer feedback acts as a motivator, giving rise to new initiatives.

Use of customer feedback



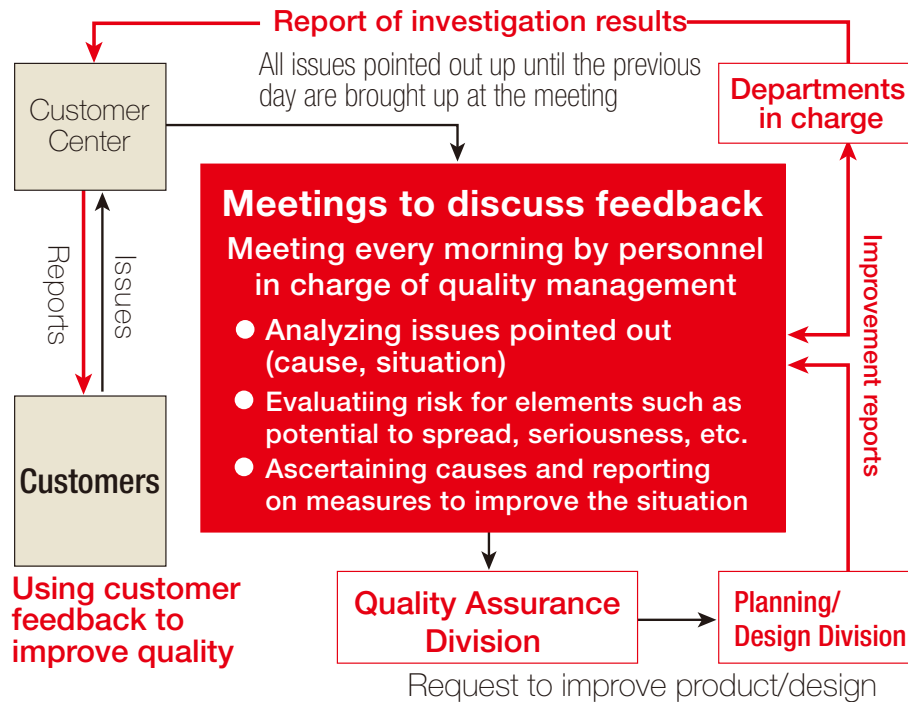
Voluntary recalls

In the Glico Group, we investigate the causes of any quality problem and work to improve quality. If any quality problem occurs, we share it within the group as we strive to prevent recurrence.

Year	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Recalls	0	1	0	0	0	2

Meetings to discuss feedback

Every morning, personnel in charge of quality management in the quality assurance departments, manufacturing departments, and other parts of our organization meet together, and carefully examine the issues we received from the Customer Center up until the previous day. We respond quickly by providing investigation results to manufacturing companies, the planning departments, and the research departments.



Improvement of Customer Service Quality

We have made a declaration of compliance with JIS Q 10002:2005 (quality management - customer satisfaction - guidelines for complaint handling in organizations), and we make improvements every day to enhance customer service quality. In addition, we provide training in fielding telephone calls, and ensure employees learn a range of knowledge to prepare for various inquiries, including how to give milk to infants, how to prepare processed foods, and how to take sports supplements.

Examples of qualifications held by Customer Center staff to improve their knowledge

- Consumer Affairs Advisor
- Food Labeling Advisor
- Call Taking Skills Test (Level 3)
- Nutritionist
- Childcare Advisor
- Supplement Advisor

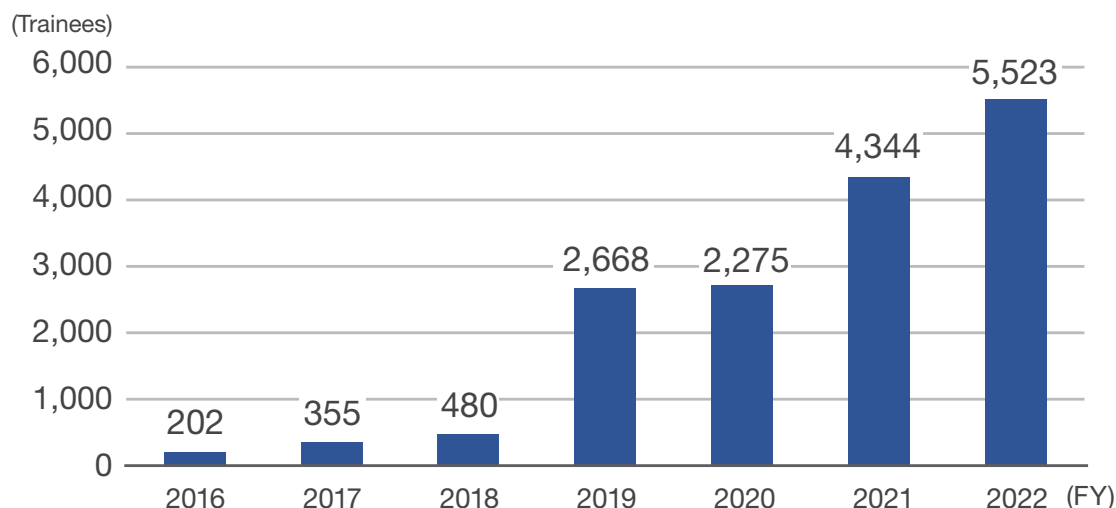
Experience-based customer center training

We provide employees with emotionally-moving moments talking with customers, and activities to foster customer-orientation. One example of this is experience-based customer center training where trainees respond as telephone operators to customer feedback. By actually responding to real customers, trainees experience the importance of close contact with customers and their feelings, and this helps to improve their awareness of quality from the customer's perspective. Since FY2021, training has been conducted online. Going forward, we plan to expand this training to all Group employees.



Experience-based customer center training

Number of trainees completing experience-based customer center training (cumulative)



Number of trainees completing experience-based customer center training (cumulative)

Adoption of a chatbot-based, store search system

In 2020, we adopted a chatbot-based store search system to enable speedy replies to customer inquiries about our products. With customers able to search stores by themselves even outside of business hours, customer satisfaction is improved. Our operational efficiency is also improved because customers are able to search online instead of having to telephone our customer center.

Development of a global contact form

To enable us to respond to customer inquiries around the world, we have developed a global contact form for use by the entire Glico Group. The multilingual form enables us to quickly respond to customers in languages that they are familiar with, including English and the main languages used locally in countries where we have offices.

Improvement of the Quality of Product Information

Labeling on the product package is the most reliable medium for communicating product information, and we make our labels as easy to understand as possible. Naturally, labels are carefully examined at the product development stage, and even after a product goes on sale, we always pay close attention to customer feedback and strive to make improvements quickly.

Easy-to-understand product labels

In addition to laws, regulations, and industry standards, we have established in-house standards for labeling. We work hard to achieve peace of mind for the customer by ensuring appropriate, easy-to-understand labeling. We had no breaches of the Act against Unjustifiable Premiums and Misleading Representations during fiscal 2019.

Communication with customers

The Customer Center publishes leaflets on chocolate, curry and dietary education to increase customer enjoyment.



Leaflets

Publishing of information that leads to safety and security

We are gradually expanding the publishing of information—such as nutritional information and names of raw materials—on product pages so that customers can obtain such information about products by themselves from the website. We strive to improve convenience and customer satisfaction by proactively publishing information that leads to safety and security.

“Nutritional Information Navigator” to achieve balanced diets and better health

The “Nutritional Information Navigator” website is a system that allows the desired nutritional information to be extracted in real time using simple operations. Since its launch in 1996, the website has been used by consumers as well as nutritionists as it allows the desired nutritional information to be easily extracted and detailed information to be obtained even without specialized knowledge, contributing toward achieving balanced diets and better health for customers.



“Nutritional Information Navigator” website

Improvement Based on Customer Feedback

Examples in product development

Plant-based Pucchin Pudding



Customer feedback

“Do you have any pudding that people with egg and milk allergies can also enjoy with their friends?”

Improvements

In March 2020, we launched a plant-based pudding that has no animal-based ingredients, including eggs and milk. We received a lot of positive feedback from customers, including “It was the first time I could give pudding to my child, who has allergies,” and “I love it that we can eat pudding together now!”

* The product is not allergen-free.

* Ingredients contain soy and almond from the 28 common allergens.

Seventeen Ice (Grape Sherbet and Soda)



Customer feedback

“My child wants to eat the same thing as his friends, but the ice creams in the vending machines all have dairy ingredients. I wish you would include at least one ice cream that children with dairy allergies can eat.”

Improvements

In response to customer feedback, we started selling products without dairy ingredients from May 28, 2018. They are available in vending machines where the message “Ingredients do not contain any of the 28 common allergens” is displayed on the product panels. Please note that these products are manufactured on production lines that also manufacture products that contain dairy ingredients.

* Products vary depending on the vending machine, so some varieties may not be available.

One happy customer provided some positive feedback: “After learning that Grape Sherbet does not contain allergens, I was able to give it to my daughter for the first time. I was exhilarated to see her happy face. Thank you.”

Improvement of packaging design and labels

Clarifying the allergy labeling, specifically addressing food-line contamination



Customer feedback

“While the product label states that it does not contain allergens, there is no information about food-line contamination^{*1}.”

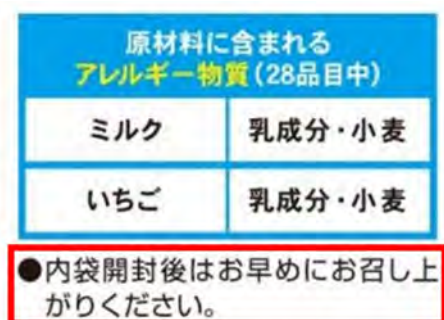
Improvements

Information about food-line contamination was also provided but was difficult to understand as it was stated separately from the allergen summary label^{*2}. We changed to labels that show—as a set—information about food-line contamination below the allergen summary label.

^{*1} Information about food-line contamination: Statements such as “The production line for this product is also used to produce products containing XX” are labeled on packaging to draw attention to contamination in the production line. Contamination may occur unintentionally within manufacturing factories even if allergens are not used as ingredients. Glico labels products with information about the seven designated allergens.

^{*2} Allergen summary label: This is a label that shows the allergens (out of the 28 designated allergens) contained in the product, separately so as to be easily understood with a glance, in addition to stating them in the list of ingredients.

Clarifying the scope of best-before-dates for large-pack products such as Bisco



Customer feedback

“What happens to the best-before-date after opening *Bisco Large Pack* <Assorted Pack>? The label says to consume as soon as possible after opening, but does it refer to the large pack or the individual packets?”

Improvements

To convey clearly whether the best-before-date applies to the inner or outer packet, we have clearly stated the scope by using “after opening the inner packet” or “after opening the outer packet” on the label.

Regarding the use of macadamia nuts in *Shall we?* <Fermented Butter Fragrant Shortbread>



Customer feedback

"My child had an allergic reaction after eating *Shall we?* <Fermented Butter Fragrant Shortbread>."

Improvements

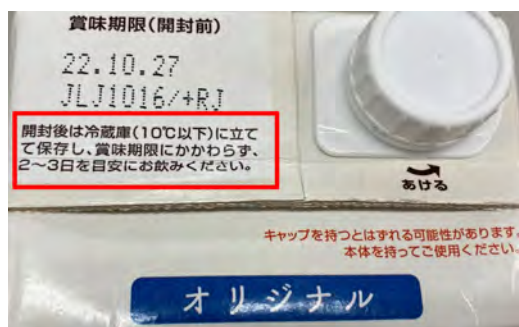
The ingredient label states the use of macadamia nut powder, but macadamia nut is not covered by the allergen summary label as it does not fall within the 28 designated allergens. There were cases where the product was consumed without realizing that it contained macadamia nuts.

In January 2022, we added labeling to draw attention to the use of macadamia nuts.

- Outer box: We added labeling that states the product contains 9% macadamia nuts on both sides.
- Side of outer box: We changed the color of the statement "● The black grains on the product's surface is macadamia powder." to red.
- Reverse side of inner packet: We added information about food-line contamination^{*1} as well as statements that the product contains 31% fermented butter and 9% macadamia nuts.

^{*1} Information about food-line contamination: Statements such as "The production line for this product is also used to produce products containing XX" are labeled on packaging to draw attention to contamination in the production line. Contamination may occur unintentionally within manufacturing factories even if allergens are not used as ingredients. Glico labels products with information about the seven designated allergens.

Regarding labeling of consumption standard after opening of *Almond Kouka 1000 ml*



Label for guide on number of days to consume within after opening

Customer feedback

"The packaging of *Almond Kouka 1000 ml* says to consume as soon as possible after opening. Within how many days must I finish it?"

Improvements

Although the label stated to consume as soon as possible after opening, it did not provide a specific standard. This resulted in many inquiries. As the best-before-date prior to opening is long, there were also customers who mistakenly thought that the product is different from dairy products such as milk and can last for a long time after opening.

Starting from products sold in late-March 2022, the specific standard is given on the packaging by stating "After opening, please store in the refrigerator (10°C or below) and consume within two to three days, regardless of the best-before date." under the best-before-date.

Stating the product names for curry, stew, and roux products on the same side as their best-before-dates



Placed product name and best-before-date on the same side

Customer feedback

"I store Aunt Claire's and Premium Juku Curry stacked along the long side. I hope to be able to keep them in a way that I can tell which product is which at a glance when they are stacked. I put the side with the best-before-date facing up as I want to use older products first, but this makes it inconvenient as I cannot see the product name."

Improvements

The placement of product names and best-before-dates differed from brand to brand. Only the ZEPPIN series had the product name and best-before-date on the right-facing side when viewed from the front design.

In March 2022, similar to the ZEPPIN series, we placed the product name and best-before-date for the Premium Juku and Aunt Claire's series on the right-facing side when viewed from the front design.

Aluminum retort pouches for Donburi-Tei, Saisai-Tei and Beef Curry Lee products



Customer feedback

"I threw the outer box away but there are no cooking instructions on the inner aluminum pouch. How many minutes should I heat it for?"

Improvements

We changed the design of the aluminum pouch so that even if the customer throws away the outer box, they still have the minimum requirements for preparation. The inner pouch includes cooking instructions and warnings such as not heating the product in the microwave oven while still in the aluminum pouch. This design is being gradually used for products manufactured from late January 2020.

Roux products: Premium Juku Curry and hashed beef



Customer feedback

"If I throw away the packaging and keep the product in the tray alone, I don't know the best-before date. Can you put the best-before dates on the trays, too?"

Improvements

From February 2018 production, we started printing best-before dates on each individual serving tray. The easy-to-separate trays are now easier to use and are convenient for leftover roux and individual servings. We have also started printing the best-before dates on each tray of Aunt Claire's and Zeppin Curry series roux products.

One happy customer provided some positive feedback: "Thanks for printing best-before dates on individual packages. It will be much more convenient. I was both surprised and impressed!"

Curry Shokunin



Customer feedback

“With this product, you take the inner pouch out of the box and place it in the microwave oven. ‘This side up’ is written on the inner pouch but it is difficult to see because both sides of the pouch have similar writing of similar sizes. I accidentally put it in the microwave oven upside down. I would like a big warning on it.”

Improvements

We changed design from January 2017 production so that it is now easy to understand the top and bottom with large letters saying “Place in microwave oven with this side up.”

If the pouch is heated with the steam vent holes at the bottom, the curry may leak from the holes. The surface with the “Place in microwave oven with this side up” warning must always be facing up when heating.

Pocky Gokuboso



Customer feedback

“I didn’t want to get my hands dirty, so I opened the end of the packet that showed the picture of the Pocky without chocolate. Unfortunately, that end was the chocolate end and I ended up getting my hands dirty.”

Improvements

The packaging and inner packet had the same design, but we changed it from October 2016 production so that the picture of the Pocky and the actual Pocky inside are facing in the same direction.

Pocky Chocolate



Customer feedback

“From the recycling mark on the packaging label, I can understand that the outer box is made from paper, but what is the inner pouch made from?”

Improvements

We made the plastic recycling mark on the inner pouch easier to see.

Improvement of packaging function

Improving the ease of opening for products with zippers, such as *GABA* and *LIBERA*



Customer feedback

“After opening *GABA* by cutting at the location printed with ‘OPEN,’ it is difficult to open subsequently. Even when I try to use my nails, they don’t go in easily, making it difficult to open even though I want to eat as soon as possible.”

Improvements

There was feedback such as “The gap between the zipper and the tear-off line is small, making it difficult to reopen after fastening the zipper” and “After closing, the area that can be pinched by fingers is small, making it difficult to open.”

In September 2022, for *Mental Balance Chocolate GABA*, we changed the location of the tear-off line, punch hole, and zipper to make it easier to pinch. For *LIBERA*, we shifted the zipper lower by 2 mm, changing the gap between the opening and the zipper from 4.5 mm to 6.5 mm, making it easier to open.

Talent Development Program

Basic Policy on Personnel

To achieve continual development of our company, we must be a company that is supported, trusted, and respected by society—a company that our employees can take pride in. We at Glico believe that our greatest management resource, normally the source of our corporate development, is people themselves. One facet of our basic approach is to promote reform by striving to develop and cultivate the abilities of individuals, so that highly motivated and capable human resources can join forces and exhibit their abilities as a team. Another facet is to foster a corporate culture that allows the steady cultivation of human resources who can promote this reform. In this way, we aim for both corporate development and the happiness of our employees.

Glico Core Values

Values needed to realize the Glico Seven Principles

Values that incorporate the Glico Seven Principles

[The Glico Seven Principles]

- 創意工夫 (Creativity)
- 積極果敢 (Proactiveness)
- 不屈邁進 (Perseverance)
- 質実剛健 (Diligence)
- 勤儉力行 (Prudence)
- 協同一致 (Cooperation)
- 奉仕一貫 (Contribution)

Glico Core Values

Growth

- We will always maintain a spirit of improvement, never satisfied with the status quo, and shall work to achieve **growth** as individuals and as an organization.

Leadership

- Regardless of position or duties, we will demonstrate **leadership** even in difficult situations, and carry through to the finish.

Innovation

- We will seek out what is interesting, fresh, and delightful, act boldly, and strive to offer customer value with creative, **innovative** ideas.

Collaboration

- Rather than be caught up in our own ideas, or those of our departments, we will create new synergy through **collaboration** with those who have a broad perspective.

Open mind

- We will keep an **open mind** towards all people, listen attentively to diverse values and views, and respect individuality as a business partner.

Measures for Human Resource Development

In the Glico Group, we are focused company-wide on development and cultivation of human resources as a key management issue. Based on the idea that people with varied ways of thinking—such as perspectives on management, life, and their own missions—can solve various management problems and promote reform through constant study and continual practice, we offer a curriculum that incorporates different ways of thinking, knowledge, and practice, in accordance with the Glico Core Values, into our training system.

Human resource development system

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.
All levels	Basic Business Skills, Outside Seminars, Designated Official Qualifications, Cross-Industry Exchanges, Mentor Training (as needed)											
				Distance Learning Courses	TOEIC	Language Classes OJT Leader Training				Distance Learning Courses	TOEIC	Language Classes OJT Leader Training
	Digital Education											
	Continuous Career Training (20s–50s) Multiple Sessions											
	Health Skill Training, Compliance Training, Information Security, etc.											
Management			Management Training						Management Training			
Mid-Level			Management Candidate Training									
	Mid-Career Selection Training											
Junior Level				Newcomer Training				Second Year Training	Third Year Training			
				Newcomer Training					Newcomer Training			
								Voluntary	All Employees	Designated	Selected	Required for Promotion

Promotion of Diversity & Inclusion

Basic Approach

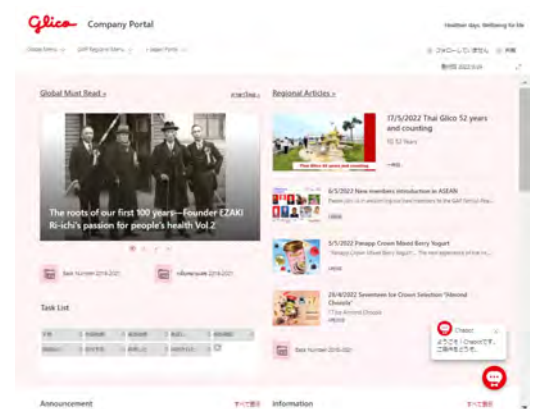
The Glico Group undertakes diversity and inclusion seriously to address a variety of social issues. We think that having each employee—with their respective individualities spanning a broad range—apply their capabilities and experiences to play active roles toward achieving Glico's Purpose and Vision (what we aim to deliver) is the key to creating new value. We also place importance on our stance of solving social issues while expanding our circle of activities through collaborating with external parties and organizations that share our aspirations.

Diversity and Inclusion efforts

We promote organizational development in three phases—recognition, action, and culture—to be an organization that incorporates diversity and inclusion in operational processes. We seek to be an organization where all employees feel that they are equal members of the organization, contribute constructive opinions, and engage in positive, friendly rivalry to generate results.

Intranet multilingual support and development of “Global Must Read” section

The Glico Group promotes internal communication as we think it is important that all Group employees with different nationalities united as one to undertake our daily work toward our goals. Therefore, we implement multilingual support for our intranet according to the countries in which we undertake business, and disseminate information that should be understood by Group employees—such as the messages from the management and our founding DNA—under a section called Global Must Read.



Intranet

Organizing of D&I Week

We have been organizing D&I Week since 2021. The main goal for the first year, being the recognition phase, was to allow employees to understand inclusion in greater depth. Specifically, under the theme of “Unconscious Biases (preconceptions and misunderstandings),” which are said to obstruct inclusion, employees learned knowledge—such as what inclusion is and how to deal with biases—and methods of recognition. As the action phase, we set our theme for 2022 as “Inclusive Communication.” We provide support to employees in learning skills for selecting and practicing inclusive language and behavior and encouraging them to take action.



D&I Week 2022

Promotion of Female Participation

In the Glico Group, we believe it is important to promote the participation of women in order to improve corporate value. Specifically, we proactively promote women to positions as officers and managers, and hold support sessions such as career development training for female employees and diversity management training for their superiors. We have also strengthened our various programs relating to co-parenting support.

Kurumin certification

For a long time, Ezaki Glico has been implementing a range of measures to enable employees to fulfill their responsibilities of balancing work and family/childcare. We obtained *Kurumin* certification from the Ministry of Health, Labour and Welfare in 2007.



Kurumin mark

Example: Female career development workshops, and diversity seminars for managers

As part of our efforts to promote diversity, every year we hold 4-day career development workshops for women in their 20s and 30s, and 2-day diversity management seminars for the managers of workshop participants. We help the women to understand the importance of thinking about their future careers, and to develop the skills to achieve their goals. Our seminars also help managers to understand the diverse careers of their staff, and to learn methods for supporting those staff in their efforts.



During the training

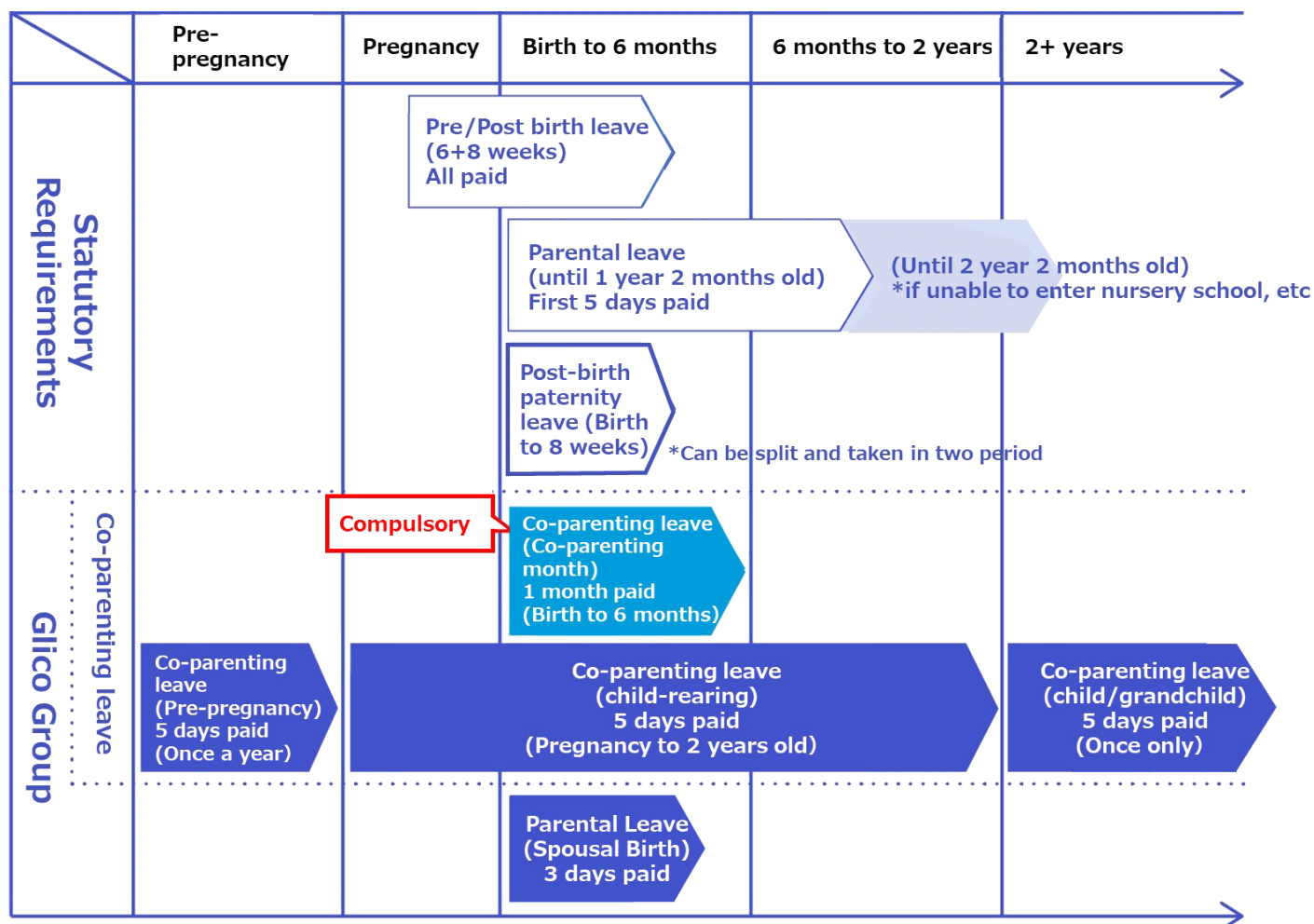
Glico Co-Sodate (co-parenting) Project

Our aim is to create a corporate culture enabling participation by diverse human resources, where employees can design their own lives, with childcare leave as one such starting point. The childcare approach advocated by the Glico Group aims to foster family communication and infant care through a cooperative effort by both mothers and fathers together with the people around them.



“Co-parenting leave”

One of these initiatives is our co-parenting leave, which provides paid leave to employees participating in fertility treatment, efforts to conceive, co-parenting, child and grandchild care and medical examinations, and school events. There are four types of leave available (see below), with one of them being “co-parenting month,” where employees are required to take one month of leave within the first six months after the birth of their child. In addition to further promoting the participation of male employees in co-parenting activities, this leave also aims to encourage all members of a workplace where someone takes leave to rethink their workstyle awareness and behavior, and to improve productivity and enrich the lives of everyone.



Parental Leave Usage

	Male	Female
FY2020	55	20
FY2021	45	28
FY2022	36	20

Support for baby formula costs

Ezaki Glico has a program providing partial support for the cost of powdered baby milk. Employees raising children under one year old are eligible for the program.

Sick or injured childcare leave

For employees with children up to the third grade in elementary school, Ezaki Glico provides leave to care for a sick or injured child or to prevent the illness of a child. In addition to annual paid leave, five days can be taken per year for one child, or 10 days if the employee has two or more children.

Daycare facility for employees, Kodomopia Daycare Center Kobe

As part of our efforts to ensure a workplace environment where employees at needs in co-parenting, can work with peace of mind, we opened Kodomopia Daycare Center Kobe in April 2019 at Kobe Factory. The 276 m² site includes a 171 m² playground, where various physical activity programs are available so children can focus on play. The center is also open on Saturdays, Sundays, and holidays, in accordance with factory operation.



ふれあうココロ、いきるチカラ
こどもぴあ保育園
KOBE

Kodomopia Daycare Center Kobe

Example: Unicharm × Glico collaboration—“Everyone’s Parenting Leave Training” company-oriented workshop for parents

Glico manufactures the ICREO brand of powdered milk and ready-to-drink (RTD) baby formula milk, while Unicharm manufactures Moony disposable diapers and other products. The two companies partnered to launch the free “Everyone’s Parenting Leave Training” original workshop for parents conducted within companies for employees who are parents-to-be. Compared to countries leading in childcare, Japan is said to be lacking in the number of hours that men spend on housework and childcare. The revised Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members has gradually been coming into effect from April 2022, with newly established post-birth paternity leave (parental leave) and other systems to make it easier for fathers to take leave following the birth of a child. The workshop targets people such as those who are planning to take maternity or parental leave. During the workshop, our nutritionists, childcare advisors, and others talk about topics such as the necessity and impact of childcare by men and methods about feeding, sleep, and excretion—which are major laborious parts of childcare—while interweaving with various episodes. We received the participation of many companies and government agencies, with feedback that the workshop helped to support the taking of parental leave.



Example: Received Understanding Promotion Award at Ikumen Company Award 2020

The Ikumen Company Award is part of the Ikumen Project being implemented by the Ministry of Health, Labour, and Welfare to support fathers who are actively engaged in the upbringing of their children and to encourage fathers to use infant care leave. The award recognizes companies that support male employees at work and when caring for infants. In receiving the Understanding Promotion Award, Ezaki Glico was recognized for its Co-Sodate (co-parenting) Project and other efforts to actively support men when caring for infants.



(Right) Award ceremony in November 2020

Example: Presentation at UN Global Compact Leaders Summit 2021

The UN Global Compact Leaders Summit 2021 was an online summit where the UN Secretary-General and leaders from around the world met to discuss how to accelerate the SDGs. The Glico Group became a signatory to the UN Global Compact in 2019, and since that time has worked to increase its contributions toward realizing a sustainable society.

We launched our Glico Co-Sodate (co-parenting) Project in 2019 as a project for partners and family members to collaborate on dealing with parenting issues both inside and outside the company. With the Co-Sodate Project recognized as a gender equality initiative, we were asked to present our initiative at the Leaders Summit this time.



UN Global Compact Leaders Summit 2021

Re-Employment Initiative

In 2001, we launched a system of re-employment for employees after their mandatory retirement. We also adopted a “comeback system” for employees who have previously left the company.

Employment Initiative for People with Special Needs

Regarding the employment of people with special needs, we promote initiatives to expand employment and encourage retention with an employment rate of at least 3% as our goal. In addition, we aim to achieve the statutory requirement, as designated by law in Japan, for employment of people with disabilities at all group companies. Our Group companies in Japan carefully examined their work and employed the right people for the right jobs.

	FY2020	FY2021	FY2022
Employment Rate of People with Special Needs (%)	3.30	3.33	3.43

* Figures taken from the report on the state of employment of people with special needs

Measures enabling diverse human resources to participate in appropriate positions

In the Glico Group, we take various steps to enable a range of human resources to work in suitable positions. In FY2018, we opened a new workplace Smile Factory at the head office on October 1 with the aim of enabling participation of people with disabilities, regardless of the specific disability. At this workplace, we brought previously outsourced work such as attaching labels to export products in-house. We have created a system that provides a sense of satisfaction and being needed, and have made sure our work environment, and also relaxation spaces, are suitable for any employee, whatever special need they may have. In the future, we will work to develop jobs where special needs are no impediment, and to create a system and structure supporting long-term employment.

At Smile Factory, we are also working to achieve normalization where people with and without special needs work together normally and as equals. Employees are able to visit this workplace anytime.



Employment Initiative for Foreign Nationals

In the Glico Group, we are increasing employment of foreign nationals in line with the globalization of our business. To date, we have employed people from the United States, China, South Korea, Switzerland, Thailand, and Vietnam. In the future as well, we will continue to employ foreign nationals as part of our promotion of diversity and inclusion.

Initiatives for Gender Diversity

In addition to providing comfortable working environments for sexual minorities such as LGBTQ employees, the Glico Group provides learning opportunities through internal seminar training and e-learning activities, aimed at fostering in all our employees a culture of mutual openness and understanding of gender diversity, and it considers other welfare-related measures as well. In FY2021, we partially revised our rules around company gifts of congratulations and condolences to our employees. In the change, we defined recipients of our “congratulations or condolences money and leave allowance” as any employee who notifies the company of their actual or common law marriage, regardless of the sex of their partner. By recognizing both sexual minorities—such as LGBTQ employees—and common law marriages in this way, we are responding to increasingly diverse ways of thinking and family structures. We received a gold rating at PRIDE Index 2022.



Creating a Positive Work Environment

Better Work, Better Life

In the Glico Group, we don't draw a hard distinction between work and life. We take a broad view that life includes work, and promote efforts to raise the quality of both. To be specific, we have introduced programs for telework, flex-time, and annual paid leave by the hour. In addition, we are making a company-wide effort to reduce overtime work through greater operational efficiency, and encourage employees to take annual paid leave.

Officer and Employee Data

Number of employees

	Male	Female	Total
FY2020	1,444	1,146	2,590
FY2021	1,428	1,119	2,547
FY2022	1,404	1,122	2,526

* Includes permanent, seconded, part-time, casual, and temporary employees

* In line with the review of aggregation criteria, figures for previous years have been changed

Number of managers between manager and officer

	Male	Female	Total
FY2020	288	21	309
FY2021	273	22	295
FY2022	276	25	301

* In line with the review of aggregation criteria, figures for previous years have been changed

Number of directors

	All directors	(External directors)	All auditors	(External auditors)
FY2020	8	(4)	5	(3)
FY2021	8	(4)	5	(3)
FY2022	8	(4)	5	(3)

* Data for both fiscal years is as of the general meeting of shareholders.

Number of new graduate hires

	Male	Female	Total
FY2020	17	13	30
FY2021	15	13	28
FY2022	18	15	33

Number of mid-career hires

	Male	Female	Total
FY2020	37	10	47
FY2021	38	10	48
FY2022	38	17	55

* Figures include those recruited as permanent employees as well as transferred employees but exclude officers

The ratio of mid-career hires

	The ratio of mid-career hires
FY2020	61%
FY2021	63%
FY2022	62.5%

Percentage of employees subjected to regular performance reviews and career development

	Relevant employees	Percentage
FY2020	1,641	65.0%
FY2021	1,687	67.5%
FY2022	1,672	67.4%

* Percentage of all employees, including non-permanent (or 100% of permanent, expert, and senior employees).

Working hours, days off, use of annual leave

	Days off per year	Normal working hours	Overtime working hours (average per person per year)	Annual paid leave (average days taken)
FY2020	127	1852.25	283.9	12.6
FY2021	124	1867.75	308.3	13.2
FY2022	125	1844.50	313.1	13.76

Annual paid leave

At Ezaki Glico we have a strict five-day working-week system, with Saturdays, Sundays, and public holidays off. We also provide a maximum of 20 days of annual paid leave where the unused portion from the previous year is carried over. The percentage of annual paid leave taken in fiscal 2019 exceeded 75%.

Percentage of annual paid leave taken

FY	FY2020	FY2021	FY2022
Percentage of annual paid leave taken	68.7%	70.9%	73.5%

Telework program

At Ezaki Glico we promote autonomous, efficient workstyles for our employees. We have established a program enabling employees to work from home and other locations outside company sites to improve work efficiency and productivity.

Example: Selected in top one hundred telework pioneers and received Award of the Minister for Internal Affairs and Communications

Ezaki Glico was selected by the Ministry of Internal Affairs and Communications as one of the top one hundred telework pioneers for FY2020. It was also selected as a recipient of the Awards of the Minister for Internal Affairs and Communications, which is the top prize. We received this prize in recognition of our efforts since 2015 to support child-raising and caregiving employees through our telework program and our effective utilization of teleworking as a way to provide employment support to people with special needs and to ensure the safety of employees during weather-related disasters.



Employment Programs

Program	Explanation
Telework program	This program enables employees to work from other locations outside company sites to improve work efficiency and work-life balance with the aim of promoting autonomous, efficient workstyles for our employees.
Program for special agreement on work location	This program enables employees to enter a special agreement on work location to achieve continuous skills development and create a vibrant workplace.
Volunteer leave program	This program enables employees to use their expired leave to engage in volunteer activities in areas affected by large natural disasters.
Jury duty leave program	This program provides leave, separate from annual paid leave, to attend court for jury duty.
Annual paid leave (half-day) program	This program enables employees to take their annual paid leave in half-day increments.
Annual paid leave (hourly) program	This program enables employees to take their annual paid leave in hourly increments.
Flextime program	This program enables employees to choose their own working hours to make the most efficient use of their time.
Satellite office program	This program enables sales staff to use rented office space, if their sales areas are too remote, to eliminate the need for long-distance commuting.
Programs relating to pregnancy, childbirth, and infant care	<ul style="list-style-type: none"> • Paid maternity and parental leave • Staggered work shifts for pregnant employees • Paid hours for hospital visits • Consultation during pregnancy • Consultation before infant care leave • Maternity leave • Celebratory birth bonus • Lump-sum payment for childbirth and infant care • Exemption from social insurance premiums during maternity leave • Financial assistance for high-cost health insurance treatments resulting from complications during childbirth • Family allowance • Consultation before returning to work after childbirth • Infant care leave • Support for baby formula costs • Infant care leave benefits • Shortened working hours for infant care • Childcare leave for sick or injured children • Exemption from or limits on overtime/holiday work, limits on late-night work • Program for special agreement on work location
Programs relating to family care	<ul style="list-style-type: none"> • Family care leave • Family care leave benefits • Allowance for living separately for family care • Shortened working hours for family care • Paid family care leave • Exemption from or limits on overtime/holiday work, limits on late-night work • Program for special agreement on work location

Occupational Safety and Health

In the Glico Group, we have established safety and health committees in each office and conduct a range of occupational safety and health activities in line with the Glico Group Safety and Health Policy formulated by the SCM Office in April 2018. We selected “ensuring the safety of machinery and equipment” and “developing Safety Key Persons” as key issues in 2018, and the SCM Office and each group factory are working on these issues as joint initiatives of Glico Group production departments.

To ensure the safety of machinery and equipment, we are currently following risk assessment methods to identify and assess risk hazards, and thoroughly implement safety measures stressing a hardware-first approach, with the aim of eliminating pinching and entanglement accidents on machinery and equipment. In 2019, we also reorganized and enhanced our risk assessments and safety reviews when introducing new equipment to factories.

To develop Safety Key Persons, we are collaborating with the Japan Industrial Safety & Health Association to hold sessions on risk assessments and kiken yochi (hazard prediction) training (KYT) as well as foreman education in view of revisions to safety laws and regulations in 2023 to develop key persons in each factory workplace who focus on safety and health activities. We have developed a system of education for occupational safety and health, and we are working systematically and deliberately to ensure the necessary safety and health education and training is provided.

Along with the declining birthrate and aging population of Japan, the average age of fixed-term employees in our factories is also increasing. For this reason, we started an exercise awareness campaign in 2019 to maintain and improve worker mobility with a focus on regular measurements of lower limb function and prevention of loss of mobility. Going forward as well, we will continue our efforts to create safe workplace environments that ensure the health and enthusiasm of our employees.

Prevention of occupational accidents

At Glico Group manufacturing sites, we are fully committed to safety and health activities, and we work to ensure a safe workplace where employees have peace of mind. Through such things as safety point-and-call, KY (Kiken Yochi) activities, and activities towards 5S (Sort, Set in order, Shine, Standardize, and Sustain) at morning assembly and other occasions, we strive to prevent employee injuries, and ensure a safe, upbeat, and healthy workplace. In FY2020, 2021, and 2022, there were no life-threatening serious accidents and no deaths as a result of occupational accidents.

Road safety efforts in sales departments

We also strive to prevent accidents involving company vehicles being used as mobility methods for sales activities. Besides the hardware aspect, including the introduction of vehicles with adequate safety equipment such as automatic braking systems and corner sensors and the installation of dashboard cameras, we also emphasize safe driving education. Such education includes mandatory setting of driving focus mode on mobile phones so that calls are not picked up while driving, watching videos and undergoing education about safe driving, mandatory drivers' lecture for new employees, and on-job-training that focuses on driving.

AEDs

We are installing automated external defibrillators (AEDs) in workplaces in case of sudden cardiac arrest. The devices are already located at head office, Osaka Umeda Office, Shinagawa Office, each supervising branch office, and some factories.

Glico Group Human Rights Policy: Formulation and Process

In the Glico Group, we consider respect for human rights to be important for not only our directors, officers and employees, but for all stakeholders in the execution of business.

We have therefore always acted in respect of human rights in accordance with the Glico Group Code of Conduct. To further enhance this policy, we have formulated the Glico Group Human Rights Policy in accordance with the Guiding Principles on Business and Human Rights, which was approved as a global standard by the United Nations Human Rights Council in 2011, and we comply with these guidelines in our respect for human rights.

In August 2019, we launched a group-wide project team to formulate the Glico Group Human Rights Policy. Each department increased its understanding of the wide-ranging human rights issues required of a global company and, while obtaining advice from external specialists, formulated guidelines that fulfill the obligations of a global company.

In line with these guidelines, and to ensure respect for human rights by not only our directors, officers and employees but by all stakeholders, we ask for the understanding and support of everyone across the value chain, including suppliers and other business partners, for the Glico Group Human Rights Policy.

The Glico Group Human Rights Policy

As a global company with a worldwide presence, the Glico Group believes in the importance of respecting human rights of not only the Group's own directors, officers and employees* but also of all its stakeholders. Based on this belief, this "Glico Group Human Rights Policy" lays out the Glico Group's principles of actions to respect human rights, which all directors, officers and employees of the Glico Group are required to comply with. Also, the Glico Group makes a commitment to itself under its Code of Conduct that each of those directors, officers and employees should respect human rights.

In addition, the Glico Group also requests all stakeholders involved in its value chain, including, without limitation, suppliers and other business partners, to understand and support this Policy.

With this Policy, the Glico Group is engaged in initiatives to serve as a role model for realizing a sustainable society.

*The expression "directors, officers and employees" as used in this policy refers to all directors, auditors, executive officers and employees (including fixed-term, temporary, part-time, and casual employees) of the Glico Group.

1. Respect for human rights

1) The Glico Group supports international norms related to human rights, including, but not limited to, the International Bill of Human Rights (the Universal Declaration of Human Rights and the International Covenants on Human Rights) and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, as well as the United Nations Guiding Principles on Business and Human Rights. Furthermore, Ezaki Glico Co., Ltd., the ultimate parent company of the Glico Group, is a signatory member to the United Nations Global Compact, and the entire Glico Group supports its Ten Principles.

2) The Glico Group understands and complies with all laws, regulations and rules relevant to its activities in all countries and regions where it is engaged in business. In the event that local laws and regulations in those countries or regions differ from or conflict with internationally recognized human rights standards, or in the absence of legislations on certain human rights in those countries or regions, the Glico Group will seek ways to honor the principles of internationally recognized human rights.

2. Important areas related to business activities

1) The Glico Group is aware that any of its business activities, including research and development, procurement and supply of goods and services, may present a potential or actual impact on human rights.

2) The Glico Group is aware that the following initiatives related to its business activities are important factors in its effort to respect human rights, and thus will promote and implement such initiatives. The Glico Group will start its implementation in areas where its business activities have a major impact.

(a) The Glico Group never permit and does not engage in forced labor or child labor, which violates the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

(b) The Glico Group does not discriminate any person based on age, gender, sexual orientation, disability, faith, race, nationality, ethnicity, religion, social status, or any other factor.

(c) The Glico Group strives to maintain a suitable working environment that enables all employees in each country or region to demonstrate their respective diverse personalities and abilities and to achieve their personal growths.

(d) The Glico Group respects the rights of employees regarding the freedom of association and the right to collective bargaining under the laws and regulations of each country or region.

3. Human rights due diligence

1) The Glico Group strives to avoid causing or contributing to any human rights infringement throughout its value chain, including, by itself or through its suppliers and other business partners. The Glico Group continually conducts certain monitoring and inspection to identify, prevent or mitigate negative impacts on human rights in relation to its business activities, in line with the United Nations Guiding Principles on Business and Human Rights.

2) The Glico Group will build up a process to take appropriate and effective remedial measures in case of causing or contributing to human rights infringement within its own operations or its value chain, and to communicate what measures were taken.

3) The Glico Group believes that stakeholders' perspectives are necessary in order to identify relevant stakeholders and respond appropriately to actual or potential impacts on human rights related to its business activities. In that sense, the Glico Group will listen to the voices of stakeholders in good faith, and share with them human rights issues related to its business activities at an appropriate timing.

4. Hotlines and remedial measures

1) The Glico Group recognizes the importance of internal reporting hotlines which its directors, officers and employees can use to report serious concerns to the company without fear of retaliation, when they become aware of or suspect violations of regional or national laws, regulations and rules, or internal rules of the Group, including the Glico Group Human Rights Policy. Against this backdrop, the Glico Compliance Hotline has been set up globally to ensure that there will be no retaliation towards directors, officers and employees who file reports on issues related to human rights.

2) The Glico Group seriously considers the comments, advices and recommendations provided by customers and other external stakeholders, through a hotline established for human rights issues, and then uses them to improve its business activities including its efforts to address human rights issues.

5. Awareness-raising activities

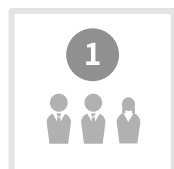
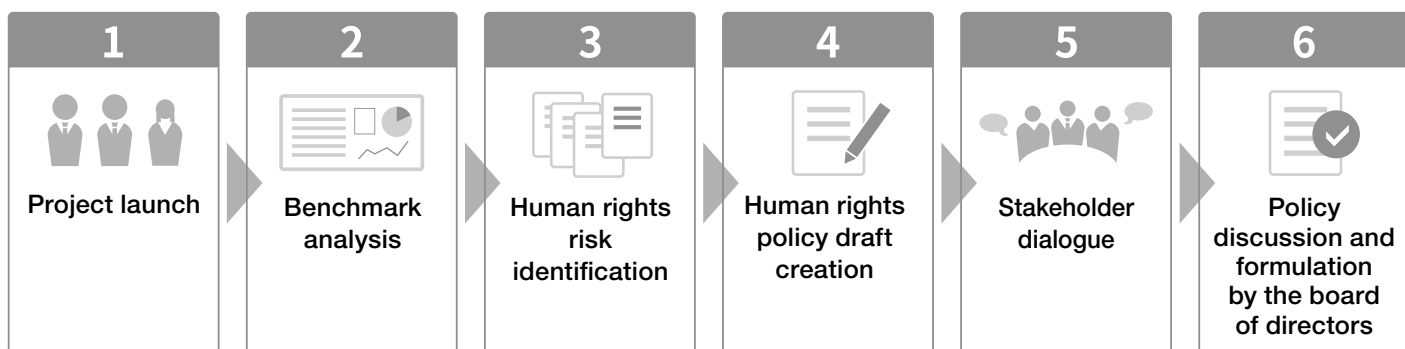
The Glico Group engages in activities to have all of its directors, officers and employees raise their awareness regarding each aspect of human rights. The Glico Group expects its business partners to conduct the same or similar awareness-raising activities as well.

6. Monitoring and reporting

The Glico Group will continuously monitor the compliance status of this Policy and strives and make improvements as necessary. The Glico Group will periodically disclose necessary information such as issues identified by monitoring and related responsive measures, through websites, CSR reports, and other communication channels.

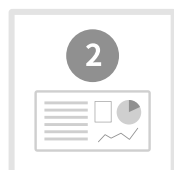
7. Oversight and responsibility for human rights

President and CEO of Ezaki Glico Co., Ltd. is responsible within the Glico Group for overseeing the realization of commitments under this Policy and all initiatives related thereto.



(1) Project launch

In August 2019, we launched a project to formulate the Glico Group Human Rights Policy with a global group-wide project team.



(2) Benchmark analysis

With advice from specialists, we investigated human rights initiatives by leading companies in Japan and the rest of the world to increase our understanding of what sort of initiatives we should work on.



(3) Human rights risk identification

With advice from specialists, we identified human rights-related risks expected in the manufacturing industry and in areas where we operate our business and procure raw materials.



(4) Human rights policy draft creation

In accordance with the Guiding Principles on Business and Human Rights and other policies, we created a draft human rights policy that incorporates such things as human rights issues to address as part of our business and our commitment to implementing long-term initiatives.



(5) Stakeholder dialogue

Our project team members held dialogues with experts in human rights issues. They received advice and incorporated that in the policy. We have detailed their feedback on the following page. We intend to develop our relationships with these experts through ongoing dialogue.

Stakeholders consulted



WAKABAYASHI Hideki
Board Member, Global Compact Network Japan
Executive Director, Japan NGO Center for International Cooperation (JANIC)



SHIROKI Tomoko
Co-founder and Managing Director, Action against Child Exploitation (ACE)

Section	Main feedback
0. Introduction	<ul style="list-style-type: none"> • Rather than just going over the past, it would be better to also include a future focus and new challenges to address. • Instead of limiting the introduction to business activities, we recommend including statements about your intention to help build a sustainable society without human rights infringements.
3. Human rights due diligence	Human rights due diligence is the whole series of ongoing efforts from formulation of a human rights policy to monitoring, remedies, stakeholder engagement, and disclosure. Additional thought should be given to the way this is expressed.
4. Hotlines and remedial measures	This is an important section that should extend beyond building mechanisms for internal and external stakeholders to report human rights infringements, to also include information disclosure.
5. Awareness-raising activities	It is important for awareness-raising activities to generate an understanding of the risks of human rights issues, and encourage independent action, by each director, officer and employee.



Dialogue between project members and experts about human rights issues in April 2020 (teleconference)



(6) Policy discussion and formulation by the board of directors

In accordance with the Guiding Principles on Business and Human Rights, our board of directors discussed and formulated the Glico Group Human Rights Policy.

Efforts to Protect the Human Rights of Employees

The Glico Group has established the Glico Compliance Hotline as a means of preventing or quickly detecting any violation of laws, regulations and internal regulations by individual directors, officers and employees of the group. Any person who discovers actual or suspected violations is able to report them to the company without fear of retaliation. When a report is made, an investigative body independent from management investigates and makes a judgment. All directors, officers and employees of the Glico Group, including part-time and casual employees, are able to report violations under their real name, anonymously, or using a pseudonym.

Internal Awareness of Human Rights

We conduct human rights e-learning for all Glico Group employees aimed at learning about global standards and basic knowledge regarding human rights, further deepening understanding about the Glico Group Human Rights Policy, and putting the policy into practice.

Supply Chain Management

The Glico Group is conducting business activities on a global scale and based on the Glico Group's CSR philosophy, we have established a goal of promoting high value-added business activities by respecting human rights, preventing corruption, and complying with competition laws throughout the value chain. To achieve this goal, we have clarified issues to be addressed by the Glico Group in terms of fair trade, based on ISO 26000 and the UN Global Compact, and formulated a Fair Trade Basic Policy. We put that policy into effect in April 2019.

Fair Trade Basic Policy

We pursue sustainable and high value-added business which will be globally extended with a high sense of ethics, by way of seeking, in conjunction with any and all of our group companies and business partners in the value chains of our business, to comply with any applicable laws in each country and achieve the following aims:

1. To eliminate and abolish any "forced labor," "child labor" and "discrimination in employment and occupation" which is against the Fundamental Principles and Rights at Work;
2. To prevent any fraud and corruption in any form by way of, for example, having appropriate relationships with not only public officials and politicians but also business partners and avoiding any transactions with conflict of interest with our board members, officers or employees;
3. To ensure fair competition in the market through making it the first priority to provide safe and secure goods and services to customers without getting involved in any activities which may hamper or impede fair competition, including, but not limited to, cartels and bid-rigging;
4. To conduct activities that respect any property rights legitimately held by third parties whether such property is tangible or intangible; and
5. To heighten awareness on each of the foregoing among the parties concerned, and then prevent any related incident or problem from occurring and enable every prompt and appropriate measure to be taken against actual occurrence.

Procurement Activities

We have established the Glico Group Code of Conduct to enable ongoing contributions to society through business. The Glico Group also became a signatory to the UN Global Compact in November 2019 to promote initiatives toward further improvement of corporate value and resolution of social issues. Accordingly, we revised our Basic Purchasing Policy, which was established in March 2016, to define a new Glico Group Procurement Policy in compliance with the Global Initiative.

We comply with this policy in all procurement activities of the Glico Group and ask for understanding and support from everyone across the value chain, including our suppliers and other business partners.

Glico Group Procurement Policy

The Glico Group establishes this policy with the objective of engaging in procurement activities that take into consideration the Ten Principles in the four areas designated in the United Nations Global Compact (human rights, labor, environment, and anti-corruption) with suppliers in compliance with laws and regulations with fairness, transparency, and high ethical standards so that we can provide safe and reassuring products and services to customers in accordance with our Corporate Philosophy and the Glico Group Code of Conduct.

1. We will comply with the Glico Group Fair Trade Basic Policy and conduct fair, equitable, and transparent procurement activities in accordance with the laws and regulations of each relevant country. We will maintain appropriate relationships with suppliers and prevent all forms of corruption including reciprocal dealing.
2. We will comply with the Glico Group Human Rights Policy, support and observe international norms relating to human rights, and conduct procurement activities that eliminate all forced labor, child labor, and violations of human rights including all forms of discrimination.
3. We will comply with the Glico Group Environmental Policy and conduct procurement activities that take into consideration the environment and are intended to create a sustainable society.
4. We will comply with the Glico Group Quality Policy and conduct procurement activities with the highest priority on quality so that we could explore and securely acquire high quality ingredients which lead to “Great Taste and Good Health” for customers.
5. We will select suppliers by appropriately assessing the value of procured goods including their quality and making comprehensive determinations that take into consideration delivery times, stable supplies, and other factors. We will provide suppliers fair and equitable opportunities for participation and respect diversity throughout the supply chain.
6. We will maintain the confidentiality of information obtained from suppliers through procurement transactions and not infringe on rights including the intellectual property rights of third parties.

SCM Office Chief
Ezaki Glico Co., Ltd.
Established in December 2020

Request to suppliers

The Glico Group complies with the Glico Group Procurement Policy in all our procurement activities. In line with this, we request that our suppliers also observe each of the following procurement guidelines.

Procurement Guidelines for Suppliers

The Glico Group seeks to increase corporate value and contribute to society in collaboration with suppliers by supporting and practicing the Ten Principles in the four areas designated in the United Nations Global Compact (human rights, labor, environment, and anti-corruption) in our procurement activities. All suppliers are requested to take measures to inform their employees about these guidelines and ensure that they are observed.

1. Corporate governance system is established by establishing internal controls and a dedicated CSR implementation system and so on.
2. The main international frameworks and norms on human rights*1 are complied with and all discrimination and human rights violations are prohibited.
3. The main international frameworks and norms on labor*2 are complied with and safe and sound work environments are provided to workers by offering appropriate wages and working hours and not permitting inhumane treatment, forced labor, child labor, unlawful labor, and so on. Furthermore, appropriate determination and management of employee physical and mental wellbeing are performed.
4. The main international frameworks and norms on the environment*3 are complied with and efforts are made to reduce greenhouse gases, efficiently use resources and energy, reduce waste, effectively use water, curtail deforestation, protect biodiversity, protect animal welfare, and so on for the creation of a sustainable society. Furthermore, an environmental management system has been created and is operated.
5. The main international frameworks and norms on fair corporate activities*4 are complied with and measures are taken to exclude relationships with anti-social forces, prevent corruption in all forms, prevent unfair dealing, and so on. Furthermore, fair and equitable opportunities for participation are provided to suppliers and diversity is respected throughout the supply chain.
6. The main international frameworks and norms on quality and safety*5 are complied with and the quality and safety of raw materials and transportation are ensured. Furthermore, research and development and marketing are conducted with responsibility, a business continuity plan (BCP) has been established, and measures are in place to ensure stable supplies of products.
7. Information obtained through business activities is properly managed and protected and measures are taken to protect information from computer network threats. Furthermore, confidential information and personal information are properly managed.
8. CSR procurement is practiced and social responsibilities are fulfilled not just within the company, but throughout the entire supply chain.
9. Efforts are made for the development of a sustainable society through initiatives with local communities.

*1 The Ten Principles of the United Nations Global Compact, Universal Declaration of Human Rights, etc.

*2 The Ten Principles of the United Nations Global Compact, core labor standards of the ILO, etc.

*3 The Ten Principles of the United Nations Global Compact, Paris Agreement, etc.

*4 The Ten Principles of the United Nations Global Compact, United Nations Convention against Corruption, etc.

*5 ISO 9001, HACCP, etc.

Established in December 2020

Commitment to Fair and Equitable Trade

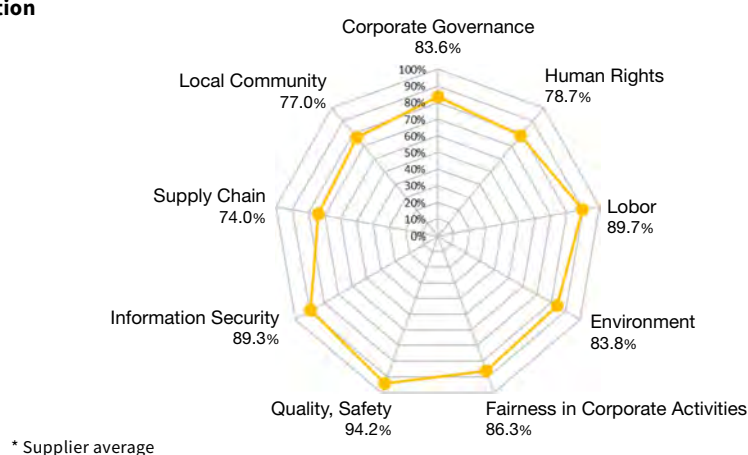
We conclude a Basic Transaction Agreement with all suppliers who collaborate as partners of the Glico Group, to ensure alignment with Glico's objectives for its continuous global business activities with high added value based on high ethical standards. Business with each partner is based on this agreement. In the Glico Group, we practice fair and equitable trading in compliance with laws and regulations, both inside and outside Japan, founded on fair evaluation, selection and equitable competition opportunities; we also work to strengthen trusting relationships with suppliers.

Evaluation of suppliers in terms of fair and equitable trade

In order to confirm and verify whether trade is fair and equitable in accordance with our Basic Policy for Purchasing Activities, the Procurement Department evaluates its own activities and asks its suppliers to evaluate its activities once a year.

We select optimal new suppliers by evaluating candidates in terms of their management, CSR efforts, quality, cost, delivery period, service, and other factors. The supplier and the Glico Group carry out a fair and equitable evaluation of these items once a year for all existing suppliers. In FY2019, we conducted our investigations in line with the Ten Principles of labor, human rights, the environment, and anti-corruption of the Global Compact Network Japan. If the evaluation shows a company needs guidance for improvement, we strive to strengthen their weak points, and help them grow as a partner.

Results of supplier evaluation



Efforts to prevent corruption

In order to eliminate improper transactions and collusion involving exchange of money or other valuables with public officials, government officials, or suppliers, we have formulated group internal rules relating to global prevention of corruption based on our Fair Trade Basic Policy, and since March 2019 we have been gradually adopting these rules at group companies in each country. Starting with workshops at group companies in Singapore, Thailand, Indonesia, and China, we plan to gradually offer training at key sites including Japan and other regions.

Commitment to Safety and Reliability Management

We have a system, centered on the Group Quality Assurance Division, for safe and reliable procurement throughout the entire supply chain, through collaboration with departments and suppliers requesting business.

Management system for safe, reliable procurement



Sharing of management system with suppliers

We plan to unify product names in our product information systems and ingredient delivery standards systems, and going forward we will aim to incorporate these into the Quality Management Program, to ensure consistent quality. In addition, we are cooperating with suppliers to work on the digitalization of traceability. Since April 2019, we have made it mandatory for barcode labels to be pasted on raw materials delivered by suppliers. Going forward, we will promote initiatives toward improving traceability, including switching from bar codes to QR codes to strengthen information.

Holding supplier quality meetings

Every year, we hold a supplier quality meeting, where we evaluate efforts by suppliers and discuss initiatives for the future.

Compliance

In the Glico Group, we are fully committed to ethical conduct and compliance with the laws and regulations in the countries/regions where we do business, not only at our own company, but also at our suppliers.

Compliance with anti-trust laws

In Japan, we have formulated the Guidelines for Compliance with the Antimonopoly Act, and we provide education on the law in relevant departments of our domestic group. Through our Procurement Division and other relevant departments, we require our suppliers to work towards compliance.

CSR-Based Procurement

In the Glico Group, we promote procurement from suppliers who engage in business activities that consider the environment and human rights.

Commitment in Procurement of Each Item

Cacao Procurement

The Glico Group makes the following commitment, according to the Glico Group Procurement Policy, in relation to the procurement of cacao.

Our Commitment:

The Glico Group will pursue to procure sustainably produced cacao, giving consideration to relevant social issues such as child labor, farming family poverty, and deforestation.

Main Initiatives:

- Efforts in procurement of cacao beans
We promote procurement of cacao beans that provide support to farmers through the purchasing route. Since 2021, such cacao beans have made up 100% of our cacao bean procurement rate. In addition, we also declared our commitment regarding cacao procurement in 2022, and at the same time, conducted the following activities.
- The Glico Group will implement the following four local support programs in Ghana.
 1. To develop, by the end of 2026, certain mechanisms that comply with Child Labor Free Zone (CLFZ) certification requirements, for preventing and improving child labor problems in villages within Assin Fosu District where we purchase cacao beans.
 2. To create, by the end of 2025, an environment where all children (including those currently not attending school) will be able to attend school in villages within Assin Fosu District where we purchase cacao beans.
 3. . To continue providing, before the end of 2025, support for developing or improving basic social infrastructure of villages within Assin Fosu District where we purchase cacao beans so that we aim to improve the quality of people's life there.
 4. To continue providing, before the end of 2026, fertilizer and farm management guidance or coaching to farmers of villages within Assin Fosu District where we purchase cacao beans so that we aim to improve productivity and income of farmers there.
- Report on cacao procurement initiatives will be made as appropriate in the CSR Report.

Established in April 2022

Palm Oil Procurement

The Glico Group makes the following commitment, according to the Glico Group Procurement Policy, in relation to the procurement of palm oil.

Our Commitment:

The Glico Group will pursue to procure sustainably produced palm oil, giving consideration to relevant social issues such as environmental destruction, human rights of farm workers, dispossession and dispute of indigenous people's land, and development of peat lands.

Main Initiatives:

- Membership of a third-party certifying body.

The Glico Group joined the RSPO* in fiscal year 2019. In addition to pursuing procurement of palm oil with RSPO certification, the Group is working to achieve sustainable procurement through acquisition of RSPO Supply Chain Certification by its internal departments concerned.

- Use of third-party certified palm oil.

The Glico Group has started using RSPO-certified oil (Mass Balance model) in Pocky and Bisco products since 2021, and will be expanding the same model to all products produced by Glico Group companies by the end of 2025.

- Report on palm oil procurement initiatives will be made as appropriate in the CSR Report.

* Roundtable on Sustainable Palm Oil

Established in April 2022

Plastics Procurement

The Glico Group makes the following commitment, according to the Glico Group Procurement Policy, in relation to the procurement of plastics.

Our Commitment:

The Glico Group will procure environmentally friendly plastics to help realize a resource-recycling society through implementation of the 4Rs*, which includes reducing the usage of container packaging materials, using materials with low environmental impact, and using packaging materials that can be easily recycled.

Main Initiatives:

- In accordance with the Glico Group Environmental Vision 2050, the Glico Group aims to achieve (i) 25% reduction in the use of one-way (fossil fuel-derived) plastics (compared to 2017) by the end of 2024, (ii) conversion to 100% use of recyclable materials by the end of 2030, and (iii) use of 100% recycled materials by the end of 2050.
- The Glico Group is advancing adoption of environmentally friendly materials. For example, conversion to biomass plastics has been already done as to a part of straws attached to products and Seventeen Ice sticks.
- Report on plastics procurement initiatives will be made as appropriate in the CSR Report.

* Reduce, Reuse, Recycle, Replace

Established in April 2022

Paper Procurement

The Glico Group makes the following commitment, according to the Glico Group Procurement Policy, in relation to the procurement of paper.

Our Commitment:

For the purpose of utilizing and conserving sustainable forests, the Glico Group will pursue to procure environmentally friendly paper through implementation of the 4Rs*¹, which includes reduction of paper usage and replacement with third-party certified paper.

Main Initiatives:

- The Glico Group aims to switch, in accordance with the Glico Group Environmental Vision 2050, to 100% use of certified paper (FSC*², PEFC*³, etc.) by the end of 2030.
- Through in-house promotion of paperless processes, a reduction of approximately 80% (36 tons) of copy paper has been achieved from 2017 through 2020.
- Report on paper procurement initiatives will be made as appropriate in the CSR Report.

*1 Reduce, Reuse, Recycle, Replace

*2 Forest Stewardship Council

*3 Programme for the Endorsement of Forest Certification Schemes

Established in April 2022

Ingredient and raw material procurement that considers the environment and human rights

We promote procurement that not only recognizes safety and reliability but also the environment and human rights.

[1] Efforts in procurement of cacao beans

We promote procurement of cacao beans that provide support to farmers through the purchasing route. Since 2021, such cacao beans have made up 100% of our cacao bean procurement rate. In addition, we also declared our commitment regarding cacao procurement in 2022, and at the same time, conducted the following activities.

• 1) Efforts to prevent and improve child labor problems

Based on our commitment, we collaborate with the nonprofit organization Action against Child Exploitation (ACE) to undertake the following efforts in 2022 in Ghana's Assin Fosu District.

1. We conducted basic surveys based on the requirements of the government of Ghana's guidelines for Child Labor Free Zones (CLFZ) and carried out risk analysis.
2. Based on the results of risk analysis, we selected villages and are currently working on enhancing the capabilities of the relevant local parties (local governments and communities).

• 2) Support for cacao producers and communities

Based on our commitment, we collaborated with Tachibana & Co., Ltd. in 2022 and undertook the following as in-house efforts in Ghana's Assin Fosu District.

1. Provision of wells and pumps to producers' communities (two units at two villages)
2. Provision of agricultural equipment to producers (1,200 sets of hatchets and boots to 15 villages)
3. Additional amount to the purchase prices from producers

● **3) Collaboration with the industry**

We embarked on efforts to collaborate with the activities of the industry.

1. Participation in the Platform for Sustainable Cocoa in Developing Countries led by the Japan International Cooperation Agency (JICA)
2. Support for the Action Plan to Eliminate Child Labour in the Cocoa Industry formulated by the platform's subcommittee on child labor



(Left) Awareness-raising activities in communities; (Right) A well that was provided to communities

[2] Efforts in procurement of palm oil

We joined the Roundtable on Sustainable Palm Oil (RSPO) in 2019 and pursue the procurement of palm oil with RSPO certification (Mass Balance model).

Communication with suppliers

In the Glico Group, we ensure the dissemination and consistent implementation of the Procurement Guidelines for Suppliers, and communicate through briefings and other channels using online tools, to strengthen our partnerships with suppliers.



Supplier briefing at Ezaki Glico Co., Ltd.

Community Development

Basic Approach

Through its business activities, the Glico Group strives to contribute to individual health promotion, as well as drive development of the economy, social welfare, and culture. Moreover, we hope to participate and assist in resolving issues faced by local communities through educational support by way of our wealth of expertise and technology, as well as through our activities in the areas of economy, social welfare, and culture. In order to carry this out, we are making active efforts to communicate with local communities to accurately ascertain their issues and needs, and respond to their requests and expectations.

Community Participation

Supporting social welfare

The Glico Group carries out various volunteer activities throughout Japan, such as cleanups and crime prevention activities. The group also supports reconstruction efforts, disaster preparedness events, and social welfare activities held by local administrations.

Continuation of Glico Wagon's activities to share happiness

We embarked on Glico Wagon's activities in 2010 from the wish to share happiness and Great Taste and Good Health all over Japan. Since the Great East Japan Earthquake in 2011, we continue to conduct activities that promote the healthy growth and development of smiling, happy children, including stopping off at several disaster-affected areas.

Activities in recent years

- Collaborated with Kamaishi City in Iwate Prefecture and visited all nine elementary schools in the city as well as two preschools in November 2021
- Participated in the music event Kaze to Rock Imonikai 2022 held at Fukushima Prefecture's Shirakawa City—one of the cities struck by the Great East Japan Earthquake—in September 2022
- Started operation of the second-generation Glico Wagon in March 2023

Glico Wagon will continue to undertake activities that contribute to society by supporting the healthy growth of smiling, happy children and family ties.



(Left) Visiting a preschool in Kamaishi City; (Right) Second-generation Glico Wagon

“Plogging,” a cleanup activity around company offices

In the Glico Group, we have participated in many local cleanup activities around local communities over the years. To drive more independent activities with a uniquely “Glico feeling,” we hold “plogging” events—which were inspired by the Glico Goal-in Logo Mark and involve cleaning the environment up as you jog—and cleanup activities combined with walking during the COVID-19 pandemic around company offices.



“Plogging”, cleanup activities conducted at company offices

Volunteer activities in disaster-affected areas

We have a support system in place for employees to actively participate in recovery efforts near their offices when natural disasters occur. Using this system, employees working near disaster-affected areas were able to participate in volunteer activities during 2019; in Takeo City, Saga Prefecture, in September; in Osato Town, Kurokawa District, Miyagi Prefecture, in October; and in Nagano City, Nagano Prefecture, in November.



Group photo of volunteers working in Takeo City, Saga Prefecture

Disaster preparedness training with local communities

We believe that ensuring the safety of local communities through collaborative activities is a key part of our social contribution efforts. Our head office is located in Osaka City's Nishiyodogawa Ward, an area at sea level, where huge damage is expected should the banks of nearby rivers burst. To ensure smooth response in case of an emergency, the Glico Group has taken part in the ward's wide-area disaster preparedness training since FY2017. In FY2019, around 30 local residents took part in an evacuation drill where they were guided to the gymnasium on the head office site.



Local residents evacuating to the gymnasium within the Glico Group head office site

Support activities that help to solve social issues of local communities

Since 1980, the Glico Group has continued to conduct Buy Glico activities where employees purchase Glico's products. Buy Glico is carried out by all employees not only to contribute to business but also to the local economy. In recent years, we awarded program's points for the number of Glico products purchased and converted them as funds to conduct community development activities. In FY2022, we supported organizations that are working on solving social issues under the themes of health, food, and children. Going forward, we will continue to conduct support activities for various themes.

Example: Holding of vegetable market using factory premises through working with a non-profit organization

In the vicinity of Glico Manufacturing Japan's Hyogo Factory, vegetables grown and sold by people with disabilities lost their sales channel due to the impact of COVID-19, and almost all these vegetables had to be thrown away. From the perspective of employment opportunities and income security for people with disabilities as well as that of reducing food loss, we worked with the support non-profit organization to hold a vegetable market for employees within the premises of Hyogo Factory. Now, there is deeper understanding among employees, and they have come to look forward to these vegetable markets. In addition, unsold vegetables were bought by the operator who supplies lunch boxes to Hyogo Factory. Such efforts are not conducted as one-off activities. Instead, we continue to hold them according to the harvest periods of the vegetables.



Vegetable sales event

Sponsorship Activities

Basic Policy

We conduct cultural and sports sponsorship activities based on a desire to contribute toward the mental and physical health of people and the healthy growth of children, our next-generation leaders.

Sponsorship activities as of December 31, 2022

Major recipients of advertising sponsorship

- Osaka Shiki Theatre, Shiki Theatre Company
- Billboard Live
- Smile Glico Park

Major sponsored sports athletes

- Racing driver SATO Takuma
- Tennis player OCHI Makoto
- Tennis player UESUGI Kaito
- Professional golf player NISHI Tomoko

Supporting regional economies

The Glico Group is engaged in various educational activities both inside and outside of Japan that help to sustain economies in each region.

GLICODE® event in Singapore

Since several years ago, as part of its CSR activities, Glico Asia Pacific (GAP) has been working with AMKFSC Community Services Ltd. (AMKFSC)—an organization in Singapore that supports people facing family and financial issues—to conduct various CSR events at the care centers of Spright Academy, which is under the umbrella of AMKFSC. Spright Academy is an organization that targets children between the ages of seven to 14 that require support after school, providing them with opportunities to learn social skills and emotions.

Due to the COVID-19 pandemic, GAP's CSR activities were conducted virtually for a period of time, but it was finally able to reopen in-person activities using GLICODE® in June 2022. Approximately 50 children participated in the event, which was held twice during the school holidays in June. Using Pocky, they learned programming while enjoying themselves and came to feel closer to Pocky.



GLICODE® event in Singapore

Example: Participation in Purinken Saga initiative for regional invigoration of Saga Prefecture

Glico Manufacturing Japan's Saga Factory collaborates with the executive committee of Purinken Saga to conduct regional invigoration efforts that seek to make Saga Prefecture the number one prefecture in terms of pudding consumption. The factory also participated in Yokabai Marché, an event held in April 2022 with around 600 visitors. Pucchin Pudding is also being manufactured in Saga Prefecture, where the factory is located, and it also served as an opportunity to convey to the local community Glico's manufacturing methods and quality that focus on great taste.



Example: Collaboration with Kitamoto City for coming-of-age ceremony

We received a request from the coming-of-age ceremony executive committee of Kitamoto City in Saitama Prefecture regarding its desire for collaboration with local companies to invigorate the ceremony. Starting from January 2020, we have been providing souvenirs for new adults by using products manufactured at Glico Manufacturing Japan's Kitamoto Factory. During the coming-of-age ceremony held in January 2023, we gave out Pocky and Pretz with the design of "Toma-chan," the city's mascot.



Pocky and Pretz with the design of "Toma-chan," the Kitamoto City mascot

Examples of Educational Support

Glico's unique experiential educational support

Utilizing the many resources it possesses, the Glico Group is involved in various educational support initiatives.

Factory tours at Glicopia

Our founder, EZAKI Ri-ichi, firmly believed that, “The two most important missions for children are eating and playing.” With this in mind, Glico operates three factory tour facilities—Glicopia Kobe (Hyogo), Glicopia East (Saitama), and Glicopia Chiba (Chiba)—where visitors can learn about the group's products and food culture in an enjoyable way. Each facility stands alongside a Glico factory, and here visitors can view, up close, the manufacturing processes of products such as *Pocky*, *Pretz*, *Papico*, and *Seventeen Ice*; create their own original snacks using digital technologies; take part in quizzes; and more. In this way we are providing spaces for local communities and many other people to see, enjoy, and learn.



(Left) Glicopia Kobe; (Right) Glicopia Chiba

Programming lessons with GLICODE®

We conduct a variety of programs at elementary schools and after-school care programs in Japan. They include sessions on GLICODE® that allows children to learn basic programming concepts using Pocky, efforts for environmental issues which are becoming global issues in recent years, and our “Professor Dente’s Secret Lab” that was developed in-house as part of dietary education as we see the various problems related to oral health as important social issues.



Glico employees giving GLICODE® workshops

Support for teachers involved in teaching programming

The Glico Group hopes to contribute to people's intellectual health through programming education. GLICODE® and GLICODE MAKER—which provide fun play and learning while eating great tasting snacks—are also being used in elementary school education. In addition, to help teachers who teach programming, since 2017, we have developed kits for use in lessons and distributed them to teachers who requested these kits. Furthermore, in December 2022, we released this kit as an educational material content pack for lessons that can be downloaded from our website.



Developing the next generation through career education

The Glico Group conducts lessons on the environment, career education and such mainly targeting elementary school students. Through such activities, we raise interest in environmental issues and career development, playing a role in nurturing next-generation leaders from each locality.

Giving lessons to students at high schools

We also conduct lessons and such at schools based on the needs of junior high and high schools. Mostly spanning around two days, the lessons start with an introduction to Glico's business and such and are followed by lectures based on a certain theme. Students then submit reports consolidating their opinions and ideas for which we provide feedback at a subsequent date to let them experience a simulated flow of work as well as its joy and difficulties.



Contributing to Health

Activities to promote health

As a food manufacturer with our new Purpose, we at Glico undertake a variety of activities to promote health, utilizing the wealth of resources at our disposal and expertise as well.

Launch of Glico Healthy Diet Project!

As a company which started with the Glico nutritious caramel, we marked the centennial anniversary of our founding in 2022. In 2023, which is the first step toward the next 100 years, we launched the Glico Healthy Diet Project based on our desire to contribute toward everyone by continuing to provide “Great Taste and Good Health.” This project uses Glico's community portal “with Glico” as its main activity platform to deliver opportunities for deepening understanding about diets that support healthier days as well as experience and share such diets with other like-minded people through various programs. These programs include seminars that convey the benefits and consumption methods of ingredients that are good for the body and dietary improvement programs that involve the participation of members.



Supporting the healthy development of children with athletes

Together with our athletes, we conduct activities that support the healthy growth and development of children through sport while supporting healthy minds and bodies. In recent years, we have conducted activities such as kids' tennis classes taught by professional tennis player OCHI Makoto and golf classes for kids taught by professional golf player NISHI Tomoko.



(Left) Participants of a kids' tennis class; (Right) Children who participated in a kids' golf class

Takuma Kids Kart Challenge

In support of racing driver SATO Takuma's wish to let as many children as possible experience the fun of motorsports and convey to them the importance of having dreams and the joy of taking on challenges, the Glico Group has been offering its backing to the Takuma Kids Kart Challenge since 2014. This is a kart racing event organized for children from across the country.

In FY2022, elimination rounds were held in 23 locations across Japan, with 1,551 children participating in the time trials. The fastest 100 participants from those trials were then selected for the final competition at Twin Ring Motegi in Tochigi Prefecture, where they competed in earnest in a time trial with advice from Mr. Sato. The top 10 participants were invited to attend the Takuma Kids Kart Academy on a later date, during which Mr. Sato provided direct support to each of the participants to help them further improve their driving skills and also held a mock race for them.

In addition, since 2020, we have been conducting programs such as scholarships to support the first steps of children with excellent results in past Takuma Kids Kart Academy wanting to become racing drivers in the future.



Glico Jump Up Challenge

Sharing in the desire of Springs Academy—operated by the women's volleyball team Hisamitsu Springs—to support the healthy growth of children, we have been conducting an event called “Glico Jump Up Challenge” since 2021. We developed and implemented a special challenge menu with guest coach and former Japanese national team player SHINNABE Risa aimed at developing the children's volleyball and communication skills. We also work to support the growth of children in all aspects, such as holding seminars for families regarding the nutrients and meals necessary for growing children and offering invitations to Glicopia Kobe.

Going forward, we will continue working with various athletes to promote the healthy growth and development of children through sport while supporting healthy minds and bodies.



Support for The Mother and Child Health Foundation

Glico supports the activities of The Mother and Child Health Foundation, which was established in 1934 through the private funds of founder EZAKI Ri-ichi. The Mother and Child Health Foundation is centered on assisting pediatric research that helps to improve the mental and physical health of children as well as prevent and treat illnesses that affect children. The foundation conducts a variety of activities, including the publication of a newsletter offering information related to the healthy growth of infants and toddlers called “Futaba ” and organizing symposia on the themes of children’s health and childcare.



Foundation for Business Activity

We will work to strengthen our management foundation for sustainable growth.

Corporate Governance

Basic Views on Corporate Governance

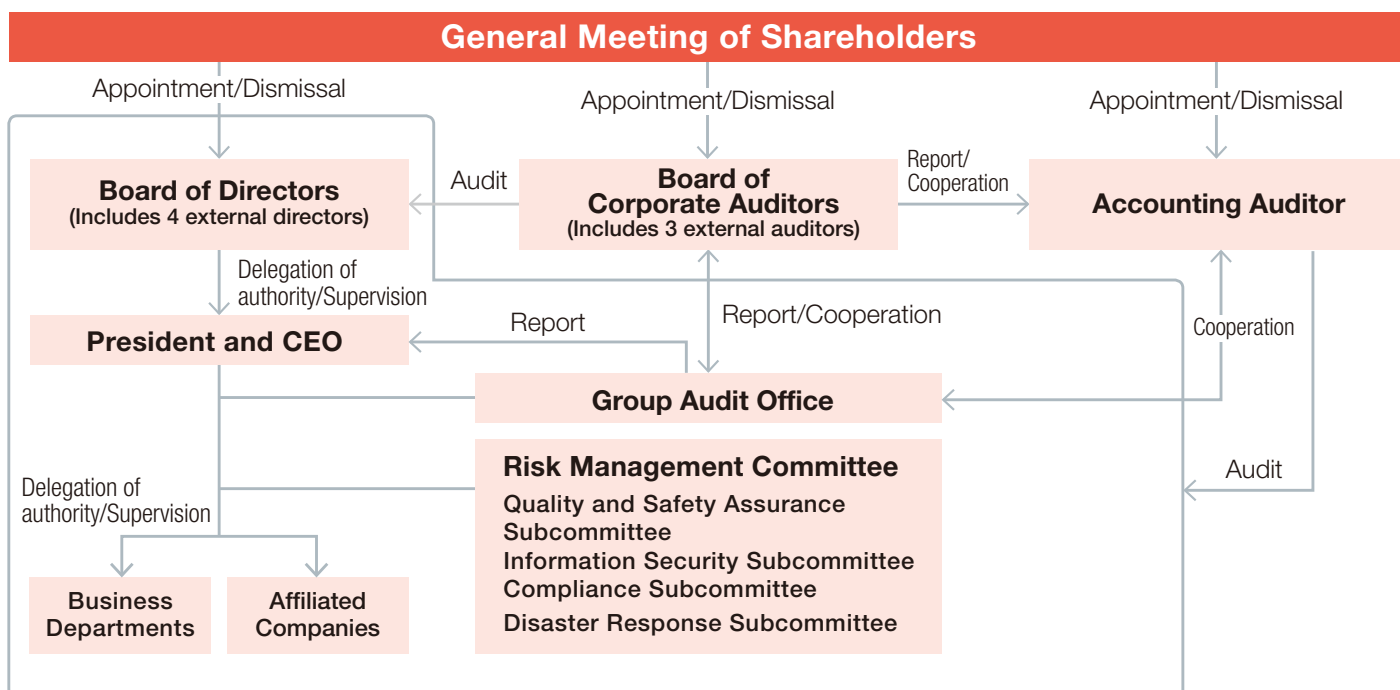
Based on our corporate philosophy and the Glico Spirit, the Glico Group strives for sustainable growth, medium- to long-term enhancement of corporate value, and increased transparency and efficiency in management. As such, we are working on the continuous enhancement of our corporate governance system based on the following basic policy.

Basic Policy

1. We shall respect the rights of shareholders and strive to ensure equality among shareholders.
2. We shall strive to appropriately work in harmony with shareholders and other stakeholders of the Company (including customers, business partners, creditors, local communities, and employees) and build a favorable and harmonious relationship with them.
3. We shall appropriately disclose corporate information and secure management transparency.
4. We shall strive to appropriately execute the Board of Directors' roles and responsibilities for transparent, fair, expeditious, and resolute decision-making.
5. We shall strive to engage in constructive dialogue with shareholders.

Corporate Governance System

The Glico Group's corporate governance system is headed by the general meeting of shareholders, which is the highest decision-making body in the organization. The system also comprises the board of directors, which has decision-making responsibility for important business execution matters while also monitoring the business execution of each department (including affiliated companies), and the board of corporate auditors, which oversees and monitors execution of duties by the board of directors. This system enables us to enhance the management decision-making functions, and the business execution management and monitoring functions, of the board of directors, while also improving management efficiency and enabling accurate and strategic management decisions.



Corporate governance system

Board of Directors

The board of directors, which consists of eight members (including four external directors as of December 31, 2022), meets once a month as a rule in order to deliberate and make decisions on matters as stipulated by laws, regulations and the Articles of Incorporation, as well as important issues regarding execution of business.

The Glico Group also operates an executive officer system with the aim of clarifying the separation of business monitoring functions and business execution functions, and enhancing the speed of decision making and execution of business.

Board of Corporate Auditors

The board of corporate auditors consists of five members (including three external corporate auditors as of December 31, 2022).

Internal Control

We formulated the Basic Policy on the Internal Control System to improve management transparency and efficiency in order to achieve sustainable growth. We then built our internal control system in line with this policy, and we are ensuring propriety in operations.

Basic Policy on the Internal Control System

1. System to ensure compliance by directors of the Company and its Group companies with laws and the Articles of Incorporation in the execution of their duties

(1) To ensure the proper and sound business operations by the Company and its Group companies, the Board of Directors shall endeavor to build an effective “internal control system” and to establish a compliance system pertaining to laws and regulations and the Articles of Incorporation.

(2) The Glico Group Code of Conduct shall be formulated as specific standards of behavior to establish legal compliance and corporate ethics, with the directors of the Company and its Group companies abiding to them.

2. System for storing and managing information related to the execution of duties by directors

The Company shall record minutes of meetings of the Board of Directors, materials concerning requests for decisions and approvals, and other important information concerning the execution of directors’ duties in documents and electromagnetic media, and appropriately store and manage them in accordance with laws and regulations.

3. Regulations and systems regarding management of risk of loss for the Company and its Group companies

(1) To prevent various risks associated with the execution of operations by the Company and its Group companies and to respond promptly and precisely when various risks occur, the Company shall formulate regulations on risk response and establish a “Risk Management Committee” chaired by the officer in charge of risk management. In the event that an unforeseen situation occurs, the committee shall immediately discuss countermeasures and work to bring the situation under control and resolve it.

(2) The “Group Audit Office” (prescribed in “5. (4)”) shall regularly audit business departments on their management of risk of losses and report the results to the President, in addition to reporting the results to officers of respective departments in charge and auditors as necessary.

4. System to ensure the effective execution of duties by directors of the Company and its Group companies

(1) The Company and its Group companies shall establish internal regulations concerning administrative authority and decision-making, and establish systems for ensuring that duties are executed properly and efficiently.

(2) In addition to holding a Board of Directors Meeting once a month, the Company adopts an executive officer system and aims to enhance prompt decision-making and business execution.

5. System to ensure compliance by employees of the Company and its Group companies with laws and the Articles of Incorporation in the execution of their duties

(1) The Company shall make the “Glico Group Code of Conduct,” which is formulated as specific standards of behavior to establish legal compliance and corporate ethics, and apply it to all directors and employees of the Company and its Group companies.

(2) Under the “Risk Management Committee,” the “Glico Compliance Hotline” shall be established as a whistleblowing system available for employees of the Company and its Group companies and establish systems for preventing and quickly uncovering violations of laws, regulations and internal regulations.

(3) The Company shall establish a “Compliance Subcommittee” within the “Risk Management Committee” and establish a system that prevents the occurrence of major legal violations in the execution of duties.

(4) The Company shall establish a “Group Audit Office” over which the President has direct control as an internal auditing department that ensures the effectiveness and validity of internal control of the Company and its Group companies.

6. Structure to ensure propriety in the operations of the Company and its Group companies

(1) To ensure propriety in Group companies’ operations, the Company shall require Group companies to regularly report management circumstances and other important information to the Company.

(2) The Company shall establish standards concerning administrative authority and decision-making in the Group companies, and establish systems for ensuring that duties are executed properly and efficiently by Group companies.

(3) To promote compliance within Group companies, the Company shall establish systems for taking necessary measures that are led primarily by the “Compliance Subcommittee,” such as ascertaining compliance with laws and internal regulations and providing compliance training.

(4) To prevent and quickly uncover violations of laws, regulations and internal regulations, the use of the “Glico Compliance Hotline,” the whistleblowing system, shall also be promoted within Group companies.

7. Matters relating to employees concerned in cases where corporate auditors request to appoint employees who are to assist corporate auditors in their duties, and matters relating to the independence of employees concerned from directors and effectiveness of directions to employees

- (1) The Company shall establish a “Corporate Auditors Office” comprised of a small number of people when the Board of Corporate Auditors makes a request for the appointment of employees who are to assist in its duties.
- (2) To ensure the independence of employees affiliated with the “Corporate Auditors Office” mentioned in the previous item from directors, the Company shall obtain consent regarding items pertaining to authority over personnel issues concerning said employees, such as appointments and transfers, from the Board of Corporate Auditors in advance.
- (3) Employees affiliated with the “Corporate Auditors Office” shall not concurrently handle duties related to the execution of business and must follow the instructions and orders of the corporate auditor exclusively.

8. System for reporting to Company auditors by directors and employees of the Company and its Group companies as well as by parties who receive a report from said persons

- (1) Directors and employees of the Company and its Group companies or parties who receive a report from said persons shall promptly make an appropriate report when asked by a corporate auditor to make a report on their execution of duties.
- (2) The Company shall establish a system for prompt reporting to corporate auditors in the event that a director or an employee of the Company and its Group companies learns of a serious violation of law or the Articles of Incorporation or misconduct or of a fact that could cause significant damage to the Company or its Group companies concerning their execution of duties.
- (3) The “Group Audit Office,” “Risk Management Committee,” and other relevant bodies shall periodically report the circumstances of internal audits and whistleblowing in the Company and its Group companies to corporate auditors.
- (4) The Company shall prohibit the disadvantageous treatment of the Company’s and its Group companies’ directors and employees who reported to corporate auditors for the reason of the said report.

9. Other systems for ensuring the effectiveness of audits performed by corporate auditors

- (1) The Company shall respond to the auditors’ requests, provide information necessary and ensure their attendance in various meetings.
- (2) Procedures for prepayment or reimbursement of expenditures generated in corporate auditors’ execution of duties and other expenses or obligations generated in the execution of duties shall be dealt with promptly with respect to said expenses or obligations unless it is deemed not necessary for the performance of duties.

10. Basic views on eliminating anti-social forces and establishment of systems toward this end

The Company shall block all relationships with anti-social forces that pose a threat to order and safety in civil society, and respond resolutely to such anti-social forces by acting in close cooperation with attorneys, the police, and other external specialist bodies.

Internal audits and corporate audits

The internal audit and corporate audit framework is composed of our internal audit department (Group Audit Office) and five corporate auditors. The Group Audit Office heeds advice from accounting auditors regarding the evaluation of internal control in relation to financial reporting, and uses this advice to improve and evaluate operation of this internal control system. Meanwhile, it works together with the board of corporate auditors to monitor business activities associated with internal control at every business site, and reports its findings to the president and corporate auditors.

Corporate auditors monitor the overall business activities of the company based on the auditing plans formulated at the beginning of the term. While all auditors attend every board of director meeting, full-time corporate auditors actively participate in important internal meetings, focusing on preventing violations of laws, regulations and the Articles of Incorporation, or any issues that may impact shareholder benefits. Accounting auditors meet with corporate auditors four times a year to exchange opinions regarding auditing plans and progress of audits, and work together to carry out audits. Audit briefings from accounting auditors are attended by corporate auditors and the group's CFO. Audits required under the Companies Act for important affiliated companies are undertaken by an external auditing firm.

External directors and external corporate auditors

As of December 31, 2022, the Glico Group works with four external directors and three external auditors. In appointing external officers, although we do not have any specific guidelines or policies to ensure the independence of the appointment process, we refer to evaluation criteria used by the stock exchange in their selection of independent officers, and use our expertise and experience in society to appoint individuals who can contribute to the Glico Group's management from an independent standpoint.

We assess that our external directors revitalize board activities and fulfill their roles in overseeing managerial activities by posing appropriate and timely questions and contributing honest opinions when deliberating issues at the board of directors meetings.

Risk Management

We established the Risk Management Committee under the direct control of the president for the purposes outlined below. The committee determines policies related to risk management for the group, responds to crises, and develops and executes measures based on its understanding and consideration of all related matters.

- (1) Strive to understand risks for the group, and familiarize the group with compliance of laws, regulations and rules, in order to prevent crises occurring as a result of risk materialization and take measures to minimize the impact of any crisis that does occur.
- (2) Strive to minimize the impact of any crisis that occurs, including damage arising from such, and quickly escape and recover from critical situations resulting from the crisis.

We also established four subcommittees (Compliance Subcommittee, Quality and Safety Assurance Subcommittee, Information Security Subcommittee, Disaster Response Subcommittee) under the Risk Management Committee to ensure effective implementation of risk management for the group. Each subcommittee carries out the following activities.

- (1) The Compliance Subcommittee promotes compliance across the entire Group, including establishing the company rules necessary for Glico Group companies and familiarizing the Group with, and enforcing, compliance with laws, regulations, and company rules.
- (2) The Quality and Safety Assurance Subcommittee strengthens quality assurance activities in order to prioritize customer safety and security in the provision of products and services.
- (3) The Information Security Subcommittee promotes information security within the group and prevents information leaks and other incidents.
- (4) The Disaster Response Subcommittee formulates the group's business continuity plan (BCP) and develops a system for its execution (BCP awareness, education and training, etc.).

We have also made preparations for an emergency response headquarters, separate to the Risk Management Committee, to deal with any serious emergencies.

Basic Approach to Compliance

The Glico Group believes that compliance with laws, regulations, company rules and social norms (ethics and morals) is essential not only for maintenance and enhancement of competitiveness as a business but also for supporting society through improved sustainability as a company. We are therefore committed to ensuring compliance.

Activities to Promote Compliance

The Compliance Subcommittee, which is one of the subcommittees of the Risk Management Committee under the direct control of the president, plays a central role in developing the internal regulations required by each company of the Glico Group, familiarizing the group with, and enforcing, compliance with laws, regulations and internal regulations, providing the necessary education and training, and promoting compliance across the group as a whole.

Activities to prevent corruption

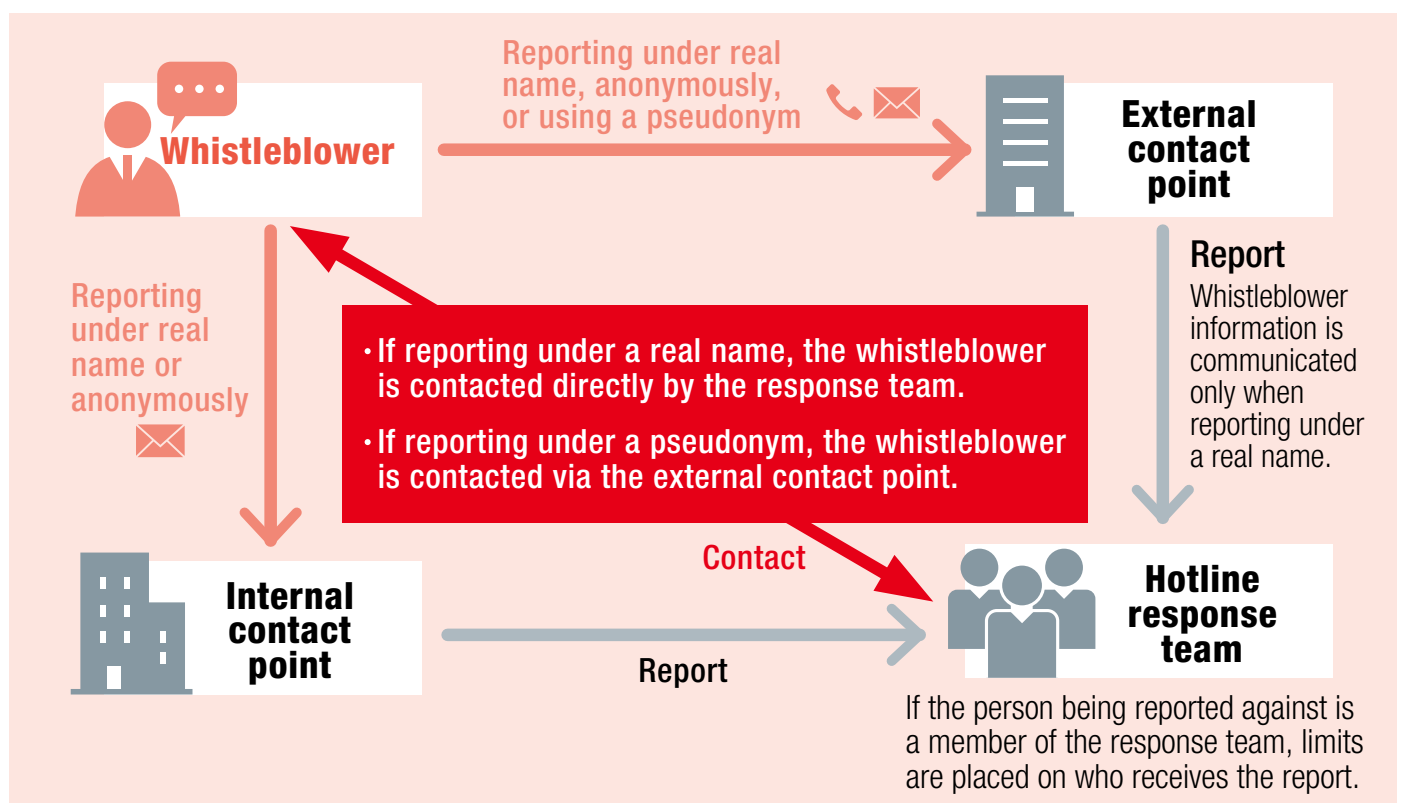
The Glico Group progressively formulates appropriate regulations to prevent corruption and provides education to employees in countries where we have a presence, starting with Japan and countries with a potentially higher risk of corruption (ASEAN countries and China).

Activities Related to Protection of Personal Information

In order to respond to the increasing stringency of personal information protection laws and regulations in various countries and regions, the Glico Group companies in Japan and overseas have redeveloped and published their privacy policies for customers. We are also advancing various efforts for the proper handling of personal information at Glico Group companies.

Glico Compliance Hotline

The Glico Group has established the Glico Compliance Hotline as a means of preventing or quickly detecting any violation of laws, regulations and internal regulations by individual directors, officers and employees of the group. Any person who discovers actual or suspected violations is able to report them to the company without fear of retaliation. When a report is made, an investigative body independent from management investigates and makes a judgment. When a report is made, an internal neutral investigative body investigates and addresses the issue. All directors, officers and employees of the Glico Group, including part-time and casual employees, are able to report violations under their real name, anonymously, or using a pseudonym.



Glico Group Health and Productivity Management



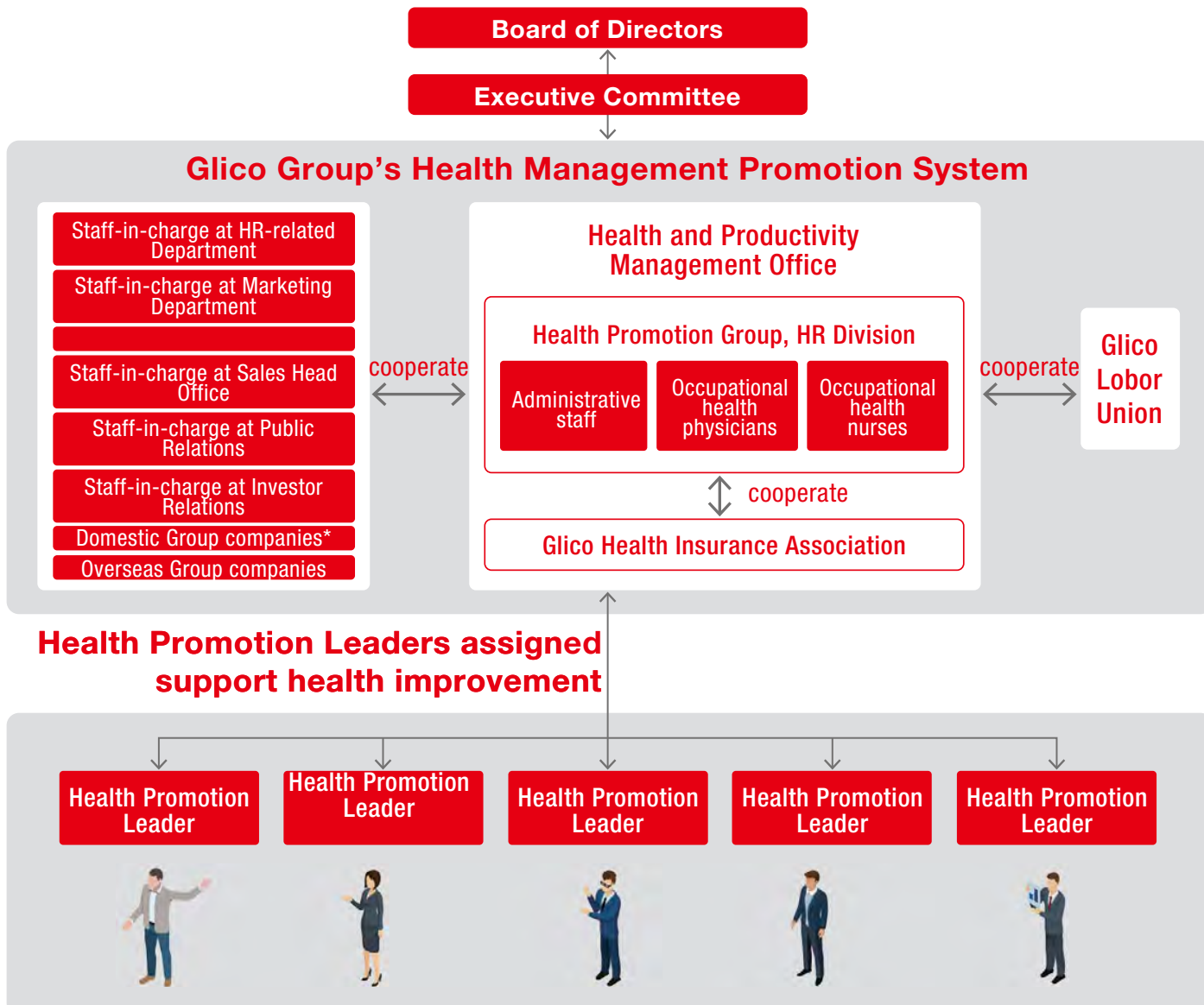
To ensure sustainable growth and development of the Glico Group, and continue to contribute to society through business, we believe our employees must be healthy in mind and body, with the motivation and passion to continue working. This is why the maintenance and improvement of employee health is an important management issue for the group, and also why we actively support proactive health improvement efforts of our employees. We are also combining this support with other organizational challenges, such as work style reform and work efficiency, productivity and engagement improvement and enhancement, and diversity and inclusion, to carry out systematic health and productivity management from a medium- to long-term perspective.

Through our unique health and productivity management initiatives, we aim to fulfill our corporate philosophy of “A Wholesome Life in the Best of Taste” through business while our mentally and physically healthy employees bring out the individuality of each other. In this way, we will generate innovative ideas and challenges that will help address health issues, not only within the company but within society as well.

Glico Group Health and Productivity Management Declaration

The Glico Group aims to keep providing “Great Taste and Good Health” through the creative development of high-quality ingredients for people to live satisfying lives toward achieving “Healthier days, Wellbeing for life.” To put this into practice, it is important for diverse employees to cooperate for a shared purpose, creatively apply their capabilities, and maintain a high level of productivity. This is made possible when employees themselves strive to lead healthier days, both in mind and body. Based on this approach, the Glico Group unites as one to promote health and productivity management and work on maintaining and enhancing the health of each employee.

September 1, 2022
Etsuro Ezaki,
Ezaki Glico Co., Ltd. CEO



* Glico Manufacturing Japan Co., Ltd., Glico Channel Create, Inc., Glico Nutrition Co., Ltd., Chubu Glico Nutrition Co., Ltd., Kansai Frozen Distribution Co., Ltd., and Tohoku Frozen Distribution Co., Ltd.

To unite as one and promote health and productivity management based on the top management's Health and Productivity Management Declaration, at the Glico Group, we assign Health Promotion Leaders to each workplace and undertake proactive health improvement efforts centered on these leaders. We also promote a PDCA cycle that plans, studies, implements, and verifies the effects of health and productivity management measures through close cooperation between companies, Glico Health Insurance Association, Glico Labor Union, and occupation health staff.

Current initiatives

As part of efforts to promote health and productivity management across the group, we created the Glico Health and Productivity Management Declaration and we are sharing it internally. We also developed a policy of encouraging employees to repeatedly cycle through the process of understanding their physical condition in terms of the three basic elements of health (exercise, nutrition and rest), acquiring necessary knowledge, practicing healthy living and making it a habit.

Following this policy, we also introduced a healthcare app that enables employees to record the number of steps they take each day, the food they eat, the hours they sleep, and the quality of that sleep. Our employees are using this app to implement the PDCA cycle for their own exercise, nutrition and rest. To help them acquire the necessary knowledge, we are conducting a series of seminars on such subjects as how to walk, how to increase the quality of sleep, and how to use low carbohydrate foods to optimize sugar intake, as well as mindfulness training to improve resilience.



(Left) Seminar on how to walk; (Right) Seminar on how to sleep

To enable our employees to practice and make a habit of healthy living, we are holding regular team-based walking events and online yoga classes. We have also assigned Health Promotion Leaders to spread the news of these initiatives in each workplace and to communicate the knowledge and know-how required for health improvement. We are helping these leaders acquire Healthcare Master qualifications to further improve their health literacy.

As of March 2023, the number of people who have passed the Japan Healthcare Master Certification Test is 300 for the basic level, 243 for the expert level, and nine for the 'Certified Health Literacy Communicator' level.

Health improvement focused on exercise, nutrition and rest is important for preventing lifestyle diseases. Early treatment of illnesses can lessen the mental and physical burden on our employees while also lessening their economic burden. It also helps reduce presenteeism (reduction in productivity during work due to health issues) and absenteeism (absence from work due to health issues) for the organization, so we are expanding and improving our occupational health staff organization to ensure health checks and follow-up treatments are properly conducted. To ensure our employees understand the importance of these health checks, we are also inviting specialists to conduct seminars on various diseases.

Note: In line with our data health plan, we are prioritizing the issues of lifestyle diseases and malignant tumors.

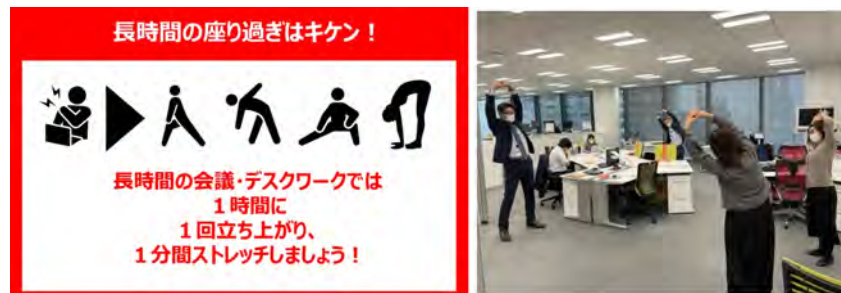


During the breast cancer seminar, including when participants touched models replicating breast cancer lumps

Smoking is understood to increase the risk of a range of diseases, including cardiovascular disease, respiratory disease, cancer, and periodontal disease. Because of concerns about additional risks of second-hand smoke (passive smoking) and third-hand smoke to non-smokers, including employees' families, other workers and business partners, we banned smoking during working hours from January 2019. At the same time, we are holding quit smoking seminars about the risks of smoking and the benefits of not smoking, and we have started subsidizing the costs of quit smoking clinics for employees who successfully quit smoking.

We conduct stress checks together with surveys twice a year to understand the state of health and presenteeism within the organization, and to enable implementation of the PDCA cycle, to improve issues that are not visible in medical expenses and other quantitative data. We also conduct a monthly survey with several simple questions so that we can quickly find any changes in our employees' physical condition, their work satisfaction, and personal relationships. With timely care and follow-up by superiors, we hope to increase mutual trust, and enhance and improve motivation and engagement of our workers.

In addition to the above, the health risks associated with sitting for long hours doing desk work are also attracting attention, so we are implementing our Every 1 Program to encourage all employees to stand and stretch for one minute every hour at work.



(Left) "EVERY1 Activity" display poster; (Right) colleagues stretching together in the workplace

COVID-19 pandemic initiatives

During the COVID-19 pandemic, we conducted seminars and yoga classes in the form of online meetings. To address the lack of exercise that accompanies ongoing use of WFH arrangements, we are also providing employees with access to videos explaining simple stretches and other exercises that can be performed at home. We are also offering financial support for online gatherings to encourage more communication aimed at mitigating the stress of teleworking



(Left) Online yoga class; (Right) original stretch video

Promotion of Diversity & Inclusion

The Glico Group believes that having employees bring out the diverse individuality of each other and apply their capabilities and experiences to play active roles is the key to generating innovative ideas and challenges and creating new value. We are therefore earnestly working on diversity and inclusion.

[For details, please refer to the section on diversity and inclusion in the CSR report.] The results of the wellness survey for visualizing presenteeism showed that more than 40% of female employees working in the Glico Group experience issues in the mental aspect and approximately half of female employees in their 20s and 30s have menstrual pains and mental issues. To enhance the overall performance of our organization, it is necessary to encourage group-wide understanding about the health issues unique to female employees. Therefore, we conduct seminars about menstrual pains and menopausal disorders as well as joint workshops with other companies to deepen mutual understanding through exchanging opinions.

Mental Health

The Glico Group started expanding and improving its occupational health system in 2022 so that four types of care—self-care, care by the management, care through occupational health staff and such within the workplace, and care using external resources—can be continuously and systematically carried out. Since 2023, we have been promoting activities to prevent issues and maintain health, with dedicated staff following up closely with each employee.

- Regarding self-care, in our training for new graduate and mid-career hires, the importance and key points of self-care are presented. Together with striving to let employees have a correct understanding of stress and mental health, we also let everyone know that there are avenues for casual consultation when they feel unwell.
- As for care by the management, we are making improvements to the workplace environment after stress checks and other surveys. We strive to enhance support to managers and supervisors to create an energetic organizational culture where psychological safety is ensured and healthy conflict—found on strong relationships of trust—is commended.
- Under care through occupational health staff and such within the workplace, we are rebuilding the operation flow of employees returning to work from leave and revising the flow for handling employees who work long hours. At the same time, to achieve early discovery of employees with mental health issues and prevention of reoccurrences, we strive to establish efficient and effective operations by assigning public health nurses and repeatedly communicating with relevant parties.
- Care using external resources refers to our use of external contractors based on corporate contracts to establish 24-hour hotlines that allow employees to consult external experts regarding health issues, and following up with counselling if necessary.

Going forward, our staff will continue to deepen mutual collaboration with occupational health personnel to promote systematic and continuous mental health initiatives centered on the four types of care.

Efforts for External Parties

To contribute to the changing life of people, the Glico Group continues to conduct seminars that help in maintaining and improving health (at the community site “with Glico” Wellness Campus), inviting experts on health such as sleep and nutrition.



みんなとつながる ファンのまち

- 1st seminar on September 27, 2020:
“Low carbohydrates seminar ” by YAMADA Satoru, head of Diabetes Center at Kitasato University Kitasato Institute Hospital and representative director of Eat & Fun Health Association
- 2nd seminar on October 20, 2020:
“Intestines grow old with age?! ” by FUKUDA Shinji, Project Professor at the Institute for Advanced Biosciences of Keio University and President & CEO of Metabologenomics, Inc.
- 3rd seminar on November 25, 2020:
“Healthy lifespan and beauty lifespan—Inner care to prevent aging ” by INOUE Masayasu, Professor Emeritus, Faculty of Medicine, Osaka City University
- 4th seminar on March 31, 2021:
“Switching on the longevity gene with 8,000 steps and 20 minutes of brisk walking each day ” by AOYAGI Yukitoshi, research section head, Research Team for Functional Biogerontology, Tokyo Metropolitan Institute of Gerontology
- 5th seminar on May 17, 2021:
“Sleep disorder risk of COVID-19 pandemic and how to have better sleep ” by NISHINO Seiji, Professor, Department of Psychiatry and Behavioral Sciences, School of Medicine, Stanford University
- 6th seminar on October 8, 2021:
“Disaster prevention seminar in preparation for emergencies—Disaster food and disaster preparedness set for protecting lives ” by IMAIZUMI Mayuko, registered dietitian, bousaisi (disaster prevention specialist), and disaster food specialist
- 7th seminar on March 18, 2022:
“A must for women around menopausal age—Getting good sleep with a simple daily habit” by NISHINO Seiji, Professor, Department of Psychiatry and Behavioral Sciences, School of Medicine, Stanford University
- 8th seminar on September 12, 2022:
“Recommending a positive routine for establishing an environment for sleep ” by NISHINO Seiji, Professor, Department of Psychiatry and Behavioral Sciences, School of Medicine, Stanford University; TOKUMITSU Namiko, Human Science Research & Development Center, Wacoal Corporation; and FURUYA Masaki, Institute of Product Development, Ezaki Glico

We also conduct health seminars for learning the basic points about improving health as support for health and productivity management of companies that subscribe to our Office Glico service.

In addition, to promote health beyond Glico, in the procurement of raw materials, we ask suppliers to conduct self-assessment about their safety, hygiene, health and productivity management, and other efforts and answer questionnaires to understand the state of initiatives for health promotion across the entire supply chain. Going forward, we plan to study and implement initiatives that can contribute toward health in society beyond Glico, including the joint conduct of health promotion measures based on suppliers’ health issues and requests.

Recognized as a White 500 Enterprise (Large Enterprise Category) in the 2022 Certified Health & Productivity Management Outstanding Organizations Recognition Program

We have been undertaking full-scale promotion of health and productivity management since July 2018. Our efforts were recognized, and Ezaki Glico has been certified for the third consecutive year since 2021, Glico Manufacturing Japan for the second consecutive year since 2022, and Glico Channel Create for the first time, as White 500 enterprises in the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program jointly implemented by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

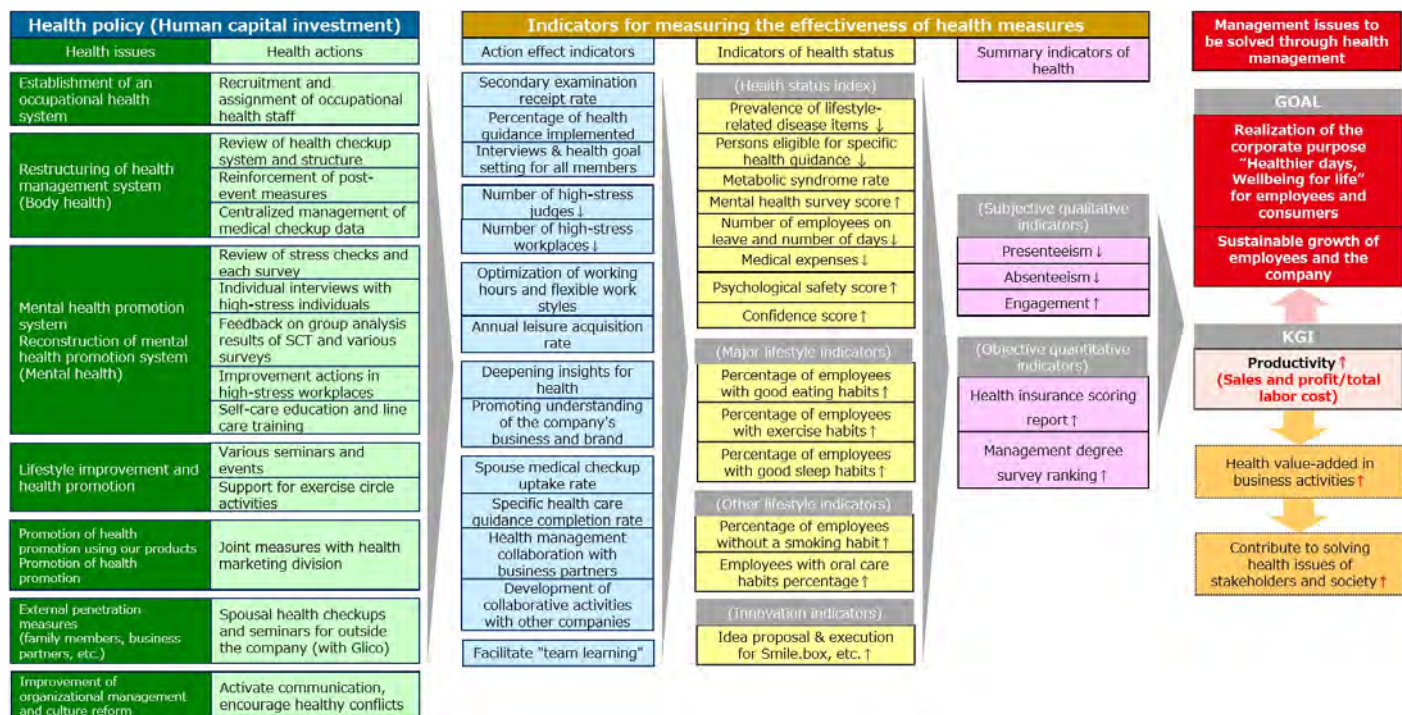


Example: Selected in top one hundred telework pioneers and received Award of the Minister for Internal Affairs and Communications

Ezaki Glico was selected by the Ministry of Internal Affairs and Communications as one of the top one hundred telework pioneers for FY2020. It was also selected as a recipient of the Awards of the Minister for Internal Affairs and Communications, which is the top prize. We received this prize in recognition of our efforts since 2015 to support child-raising and caregiving employees through our telework program and our effective utilization of teleworking as a way to provide employment support to people with special needs and to ensure the safety of employees during weather-related disasters.



Health and productivity management strategy map



*We organized our management issues and health indicators based on the Guidelines for Administrative Accounting of Investment in Health and Productivity Management.

We aim to realize our Corporate Philosophy by continuing to contribute to society through business. Therefore, sustainable corporate development through the growth of each employee is essential. In the promotion of health and productivity management, we have set the improvement of productivity as our key goal indicator (KGI), and reduction of presenteeism and absenteeism and enhancement of engagement as our key performance indicators (KPIs). As more objective quantitative data that directly affects these indicators, we have incorporated the increase in average number of steps, reduction in rate of positive diagnoses, reduction in number of people assessed with high levels of stress, and other such indicators as outcome indicators. The process for this includes seminars, workshops, and events, and we have positioned their participation rate, satisfaction levels, and degree of understanding as output indicators.

Based on this strategy map, we seek to entrench understanding by explaining and discussing with employees the purpose of undertaking health and productivity management, indicators for going through the PDCA cycle, and the intentions behind various measures. At the same time, we conduct regular sharing and opinion exchange with the management about the recognition of issues and progress of initiatives.

KPIs and Intermediate Indicators in Health Management

Based on the Health Management Strategy Map, we will systematically promote health management from a medium- to long-term perspective, driving the PDCA cycle of various indicators with a focus on KGI (Key Goal Indicators) and KPI (Key Performance Indicators).

			December 2019	October 2020	October 2021		2024 Target
Outcome (final indicator)	Subjective indicator	Presenteeism	23%	24%	25%	(▲1)	13%
		Absenteeism	8%	7%	6%	(+1)	3%
		Engagement	49	50	51	(+1)	58
	Objective indicator	Average number of steps	—	5,417	5,094	▲323	8,000
		Wellness score	49	50	50	±0	58
		Ratio of positive findings in the health examination	45%	48%	49%	(▲1)	40%
		Ratio of employees who smoke	22%	21%	19%	(+2)	10%
		Ratio of high-stress judges	13.8%	13.3%	12.7%	(+0.6)	10%
		Condition survey score	—	9.33	9.50	(+0.17)	10.00
		ENPS	—	4.48	4.58	(+0.1)	5.00
(Intermediate Indicator) Output	Execution and maintenance phase (%)		29%	33%	35%	(+)	50%
	DAU (%)		67.9%	38.6%	37.0%	(▲1.6)	
	Exercise mission accomplishment rate (%)		—	8.8%	9.1%	(+0.3)	
	Sleep mission accomplishment rate (%)		—	23.5%	31.0%	(+7.5)	
	Walking event participation rate (%)		47.0%	35.2%	39.8%	(+4.6)	

Participation in Related Groups

United Nations Global Compact

The United Nations Global Compact is an initiative through which participating businesses and organizations demonstrate responsible leadership and act as good members of society for the realization of sustainable growth for the world. It sets forth Ten Principles, in the four areas of human rights, labor, environment, and anti-corruption, that it calls on participants to support and observe. Ezaki Glico became a signatory to the Global Compact on October 16, 2019. It implements a number of initiatives that incorporate the Ten Principles with the aim of realizing a sustainable circular economy.



Ten Principles and four areas of the United Nations Global Compact

[Human Rights]	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
	Principle 2: make sure that they are not complicit in human rights abuses.
[Labour]	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
	Principle 4: the elimination of all forms of forced and compulsory labour;
	Principle 5: the effective abolition of child labour; and
	Principle 6: the elimination of discrimination in respect of employment and occupation.
[Environment]	Principle 7: Businesses should support a precautionary approach to environmental challenges;
	Principle 8: undertake initiatives to promote greater environmental responsibility; and
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.
[Anti-Corruption]	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Ezaki Glico Co., Ltd.

www.glico.com/global/