



CSR Report 2024

Glico Group

Contents and Editorial Policy

CSR Approach and Promotion System	03
Materiality (Key Issues)	04
With Our Planet	
[Environmental Vision and Environmental Management]	
Glico Group Environmental Vision	9
Environmental Policy and System	12
Environmental Management	14
[Initiatives by Area]	
1. Greenhouse Gas Reduction & Addressing Climate Change	16
2. Sustainable Use of Water Resources	26
3. Sustainable Use of Container and Packaging Resources	29
4. Reduction of Food Loss/Waste	34
With Society	
[Quality Management]	
Our thoughts and commitment to quality	39
[Quality Management]	
Safety and Security Initiatives	41
Realizing Customer Satisfaction	46
Improvement Based on Customer Feedback	51
Human Capital	60
Promotion of Diversity & Inclusion	64
Creating a Positive Work Environment	68
Wellness Promotion	73
Safety and Health	80
Respect for human rights	81
Supply Chain Management	85
Community Development	94
Foundation for Business Activity	
Corporate Governance	102
Compliance	107
Participation in Related Groups	108

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 2023 (January 1, 2023 to December 31, 2024)

*Some information included in this report may date from before FY2023 and may also include activities undertaken in 2024.

Published

December 2024 (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.

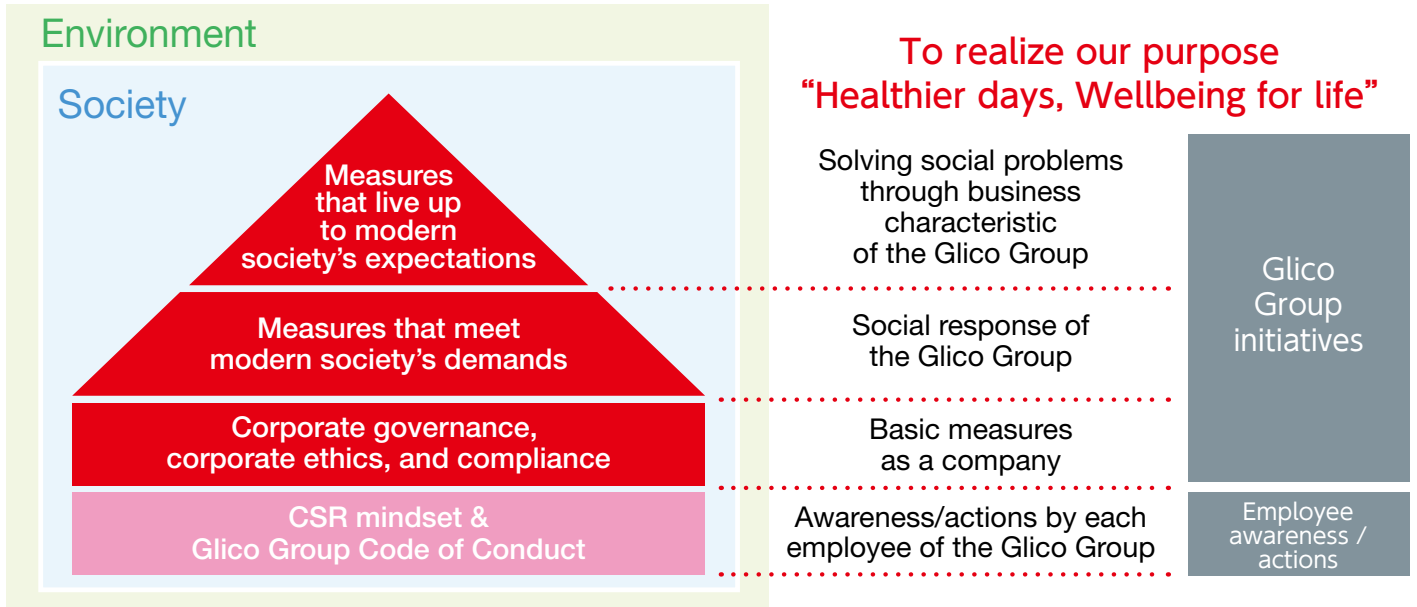
Inquiries

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

CSR Approach and Promotion System

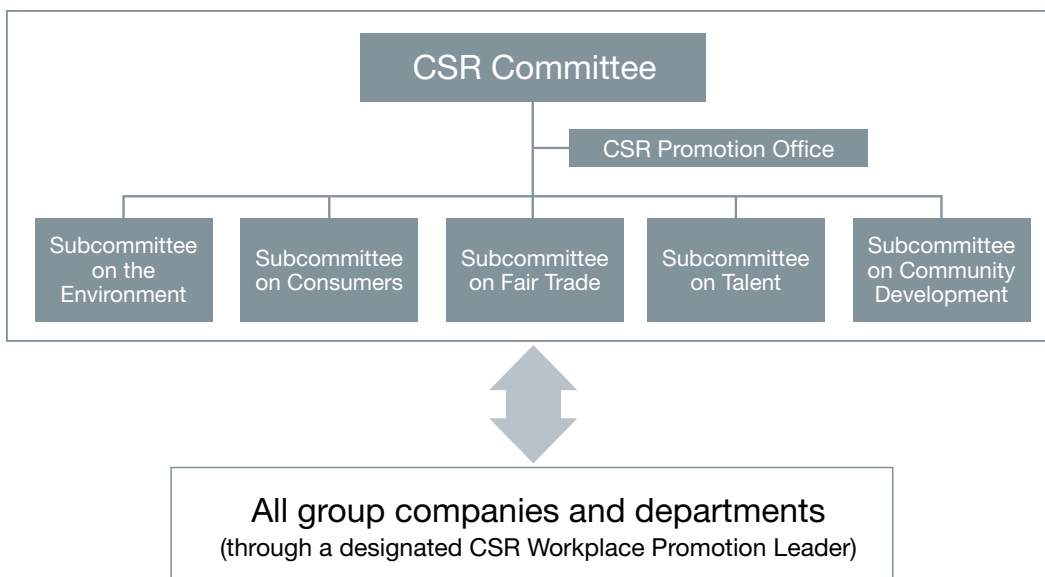
The Glico Group's Approach to CSR

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.

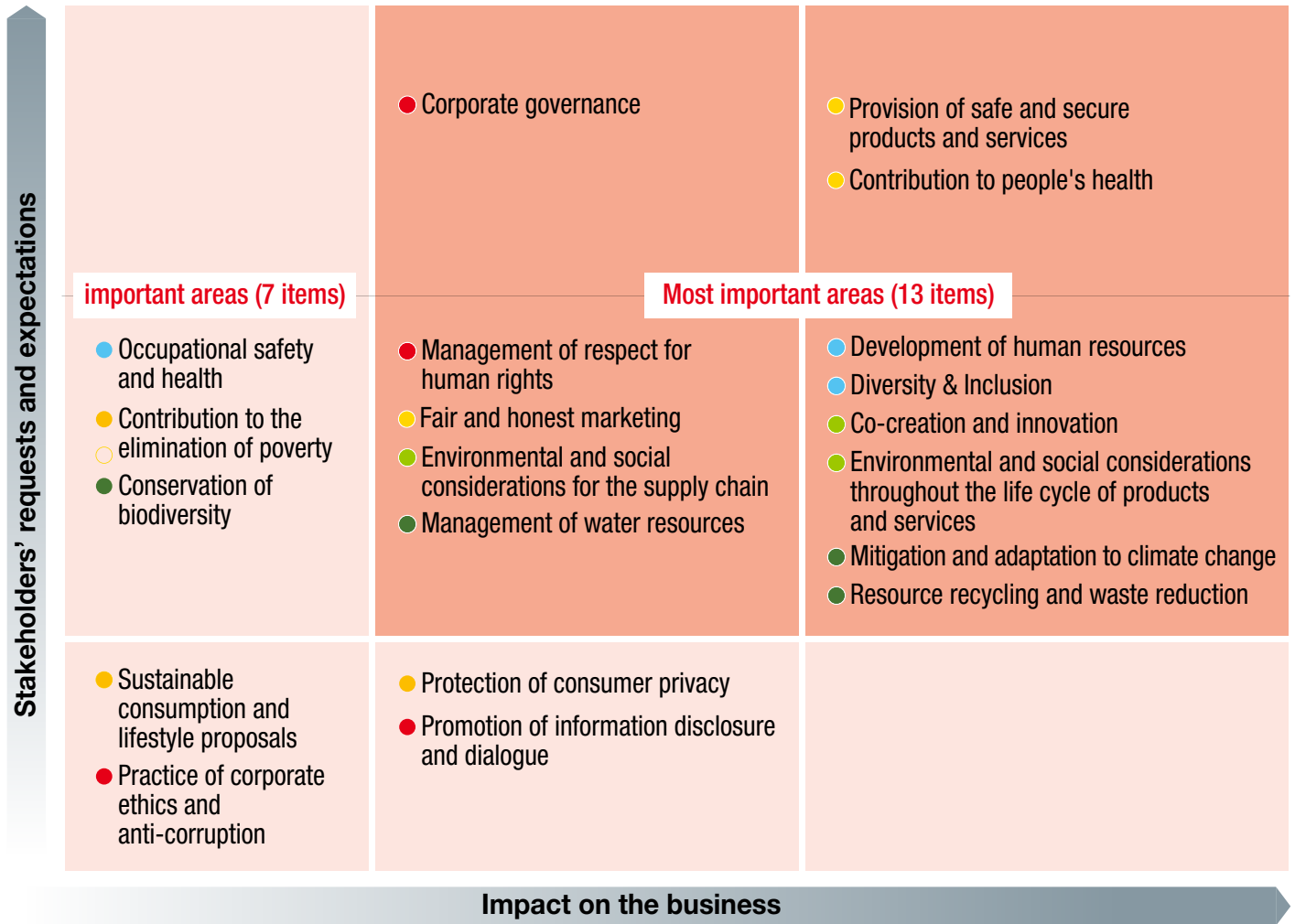
In June 2019, we identified materiality for the group in line with feedback from consumers, business partners, employees, shareholders, investors and other stakeholders (refer CSR Report 2019). This time, as we aim to contribute to realizing an even more sustainable society, we have reviewed this materiality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

- Product safety, consumer and community issues
- Labor and human rights issues
- Environmental and social issues
- Environmental issues
- Compliance and governance issues



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

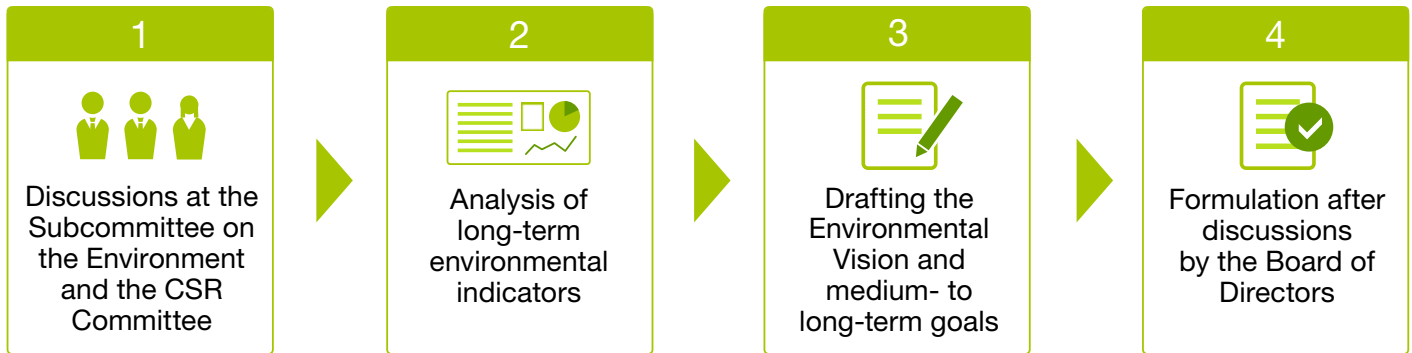
The Glico Group is pursuing improved containers and packaging and is also making actions to lower environmental impact by reducing the amount of packaging. We focus to completely replace plastic with recycled materials and paper with Forest Stewardship Council (FSC)-certified paper by 2050 through reductions 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.



Environmental Policy and System

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

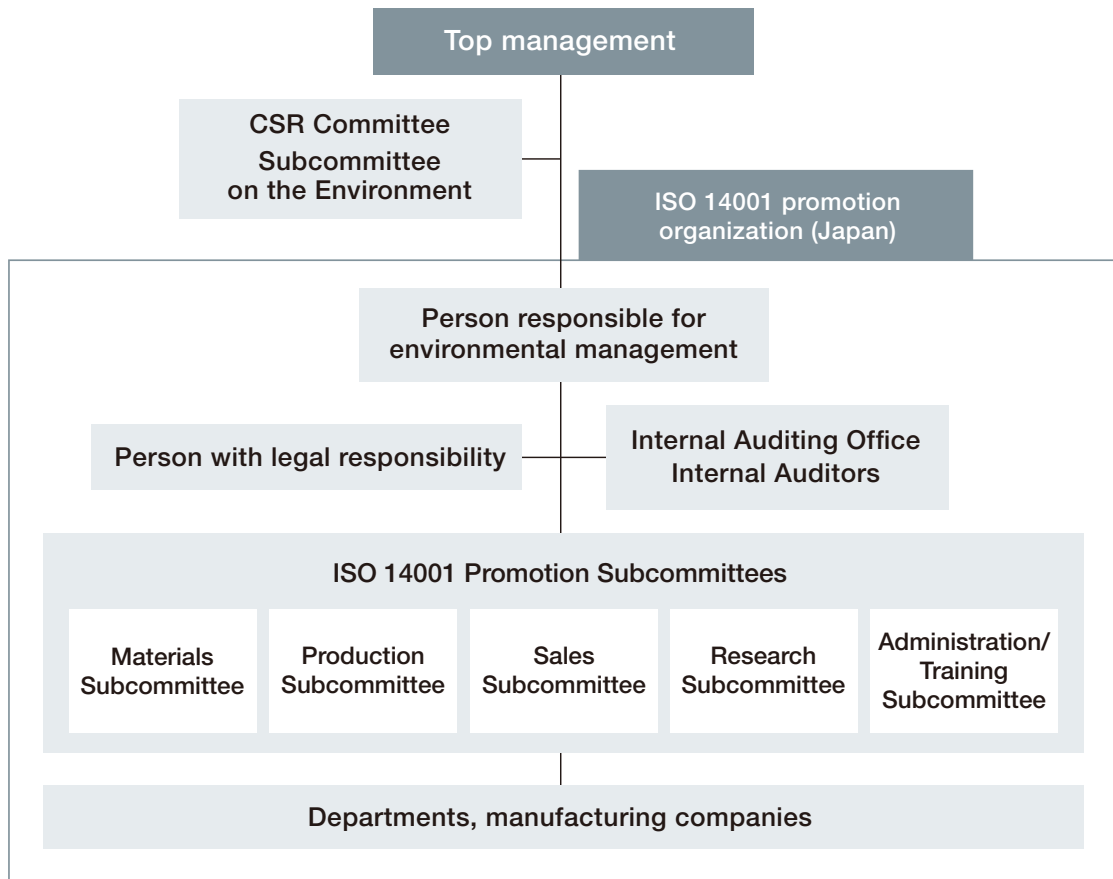
Indicators for Glico Group Environmental Activities

- 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 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 (FY2023)

- Ezaki Glico
- Nasu Factory
- Chiba Factory
- Tokyo Factory
- Mie Factory
- Kobe Factory
- Kaibara Factory (ceased production in April 2024)
- 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.

Environmental Education

Environmental education as well as coexistence and communication with local communities



The Glico Group promotes initiatives to establish coexistence and good communication with local communities through environmental education and community development activities.

Environmental Education and Environmental Activities

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

 A (completed previously): Periodic environmental education Type: E-learning	 B (target participants only): Internal auditor training seminar follow-up course Type: E-learning
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ISO 14001 Targets and Results (Japan)

FY2023 Targets	Results / achievement rate	Evaluation
Conduct 2 environmental education courses (including external courses)	2 courses	Pass
Conduct 21 environmental activities	27 activities	Pass

Administrative guidance, feedback, etc.

In FY2023, the Glico Group was not involved in any administrative penalties, lawsuits, or similar issues relating to the environment. However, we received the following two cases of administrative guidance.

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 the following report through our news center on March 7, 2023.

>> [Regarding the report about revision of water quality analysis data at Chiba Factory of Glico's production subsidiary \(in Japanese\)](#)

Subsequently, we received a written recommendation for rectification from the relevant authorities of Chiba Prefecture (Higashi-Katsushika Regional Branch Office), and we responded by providing an administrative report on the improvement and rectification plan and accepting an inspection for confirmation of the implementation state. These actions were completed by May 22, 2023. As a major incident, the Glico Group will take thorough measures to prevent reoccurrence.

1. Greenhouse Gas Reduction & Addressing Climate Change

Glico Group Environmental Vision 2050 Medium- to Long-term Quantitative Environmental Goals

Greenhouse Gas Reduction Addressing Climate Change



FY2030 Target

CO₂ Reduction Amount **-50%**

CFC Substitute **Eliminate Refrigerant R22**

FY2050 Target

-100%

All figures are compared to 2013

Natural Refrigerant **100%**

Progress of Environmental Vision 2050 (Global)

1 Greenhouse Gas Reduction Addressing Climate Change	Reduction rate of total CO ₂ emissions (Scope 1 and 2)	Base year 2013	Results			Targets	
			2021	2022	2023	2030	2050
			-11%	-23%	-22%	-50%	-100%

In FY2023, total CO₂ emissions were reduced by 22% compared to FY2013. We will continue to promote the conversion of equipment to use other types of fuel and switching to electricity derived from renewable energy toward achieving our target of a 50% reduction by 2030. Furthermore, we aim to achieve a 100% reduction in greenhouse gases (such as CO₂ and fluorocarbon gases) by 2050 through means such as adopting renewable energy for a wide range of uses, new technologies including those for energy conservation and creation, and replacement of refrigerators.

Regarding chlorofluorocarbon (CFC) substitutes, we confirm the state of use globally, generate a list of the applicable devices, and devise and implement a systematic plan to replace these devices. For the vending machines specifically for Seventeen Ice in Japan, we are making progress in the abolishment of those using R22 refrigerant, with only 10 remaining units as of December 2023.

Changes in Energy and Other Usage

Main energy and materials (units)	FY2023	YoY	FY2022	FY2021	FY2020
Energy intensity (kL per 100 million yen)	28.8	107.1%	26.9	26.9	28.8
Electricity (1,000 kWh)*	141,713	95.8%	147,855	143,368	147,495
City gas (1,000 m ³)	11,404	98.2%	11,617	12,260	13,038
LPG; Liquefied petroleum gas (tons)	212	214.1%	99	73	81
LNG; Liquefied natural gas (tons)	919	99.2%	926	899	0
Heavy oil (1,000 kL)	1.9	86.4%	2.2	2.3	4.6
Gasoline (1,000 kL)	0.7	100.0%	0.7	0.5	0.4

* Excluding power generation from cogeneration systems

Input			Glico Group	Output		
Raw material or ingredient				CO ₂ (tons)*	77,459	
Packaging materials			Waste output and reuse	Resource recycling (tons)	14,699	
Main energy and materials	Electricity (1,000 kWh)	141,713		Waste (tons)	214	
	Water (1,000 m ³)	2,512		Recycling rate	99%	
	City gas (1,000 m ³)	11,404	Wastewater (1,000 m ³)*	1,904		
	LP gas (tons)	212				
	LN gas (tons)	919				
	Office paper usage (tons)	36.1				
Gasoline (1,000 KL)	0.7					

* CO₂ emission factors for each electricity provider are adjusted from FY2022 results released in December 2023.

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

ISO 14001 Targets and Results (Japan)

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

- Reduce total CO₂ emissions
- Reduce logistics CO₂ intensity

FY2023 Targets	Results / achievement rate	Evaluation
Reduce CO₂ emissions by 40% of benchmark	44.9% reduction *CO ₂ emissions from domestic manufacturing companies	Pass
Achieve logistics-related CO₂ emissions intensity of 99% or less of benchmark	Please check the website for the finalized information as the figure was still be calculated as of June	-

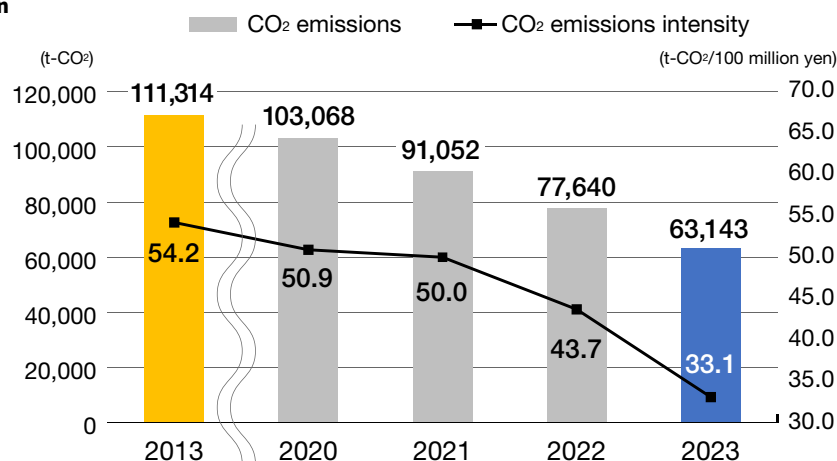
Efforts in Production

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.

CO₂ emissions

Total CO₂ emissions for FY2023 were further reduced from FY2022, getting closer to the target for 2030. 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.

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 annual results from January to December since 2019.

Improvement in the rate of electricity derived from renewable energy

The six factories in eastern Japan (Sendai, Nasu, Ibaraki, Chiba, Kitamoto, and Tokyo) have switched to the purchase of renewable energy for 100% of the electricity being used by the factories since April 2023. Through this effort, approximately 50% of the electricity consumed by factories in Japan comes from renewable energy. We will continue to limit CO₂ emissions from the use of electricity by systematically switching to electricity derived from renewable energy.

Improvement of energy efficiency through upgrading of facilities

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. In February 2021, the boilers at Nasu Factory and Ibaraki Factory were converted to use liquefied natural gas as fuel instead of conventional A fuel oil. These efforts lead to a CO₂ reduction of approximately 1,370 tons each year.



The cogeneration system



The boiler converted to LNG (liquefied natural gas) fuel

Solar panel installation and power generation

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. Together, the panels from Phase 1 and Phase 2 generated 645,000 kWh of electricity in FY2023, reducing CO₂ emissions by 270 tons.



Shanghai Ezaki Glico Nanfeng Foods Co., Ltd.

Efforts at Glico Manufacturing Indonesia



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 generated 1,680,000 kWh of electricity in FY2023 and contributed to an annual reduction in CO₂ emissions of approximately 1,464 tons.

Hydrogen fuel initiative in the manufacturing of baked confectionery

It is said that electric ovens lack the heat needed to maintain the same taste as before for baked confectionery such as the biscuit of Bisco and the pretzel part of the stick of Pocky. Therefore, we currently use city gas, but with a view of future technological innovations, we joined the Hydrogen Energy Systems Society of Japan and is the only food company that is a member of the society. We continue to undertake research in anticipation of using hydrogen-derived fuel to make baked confectionery.

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

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

Participation in White Logistics Movement

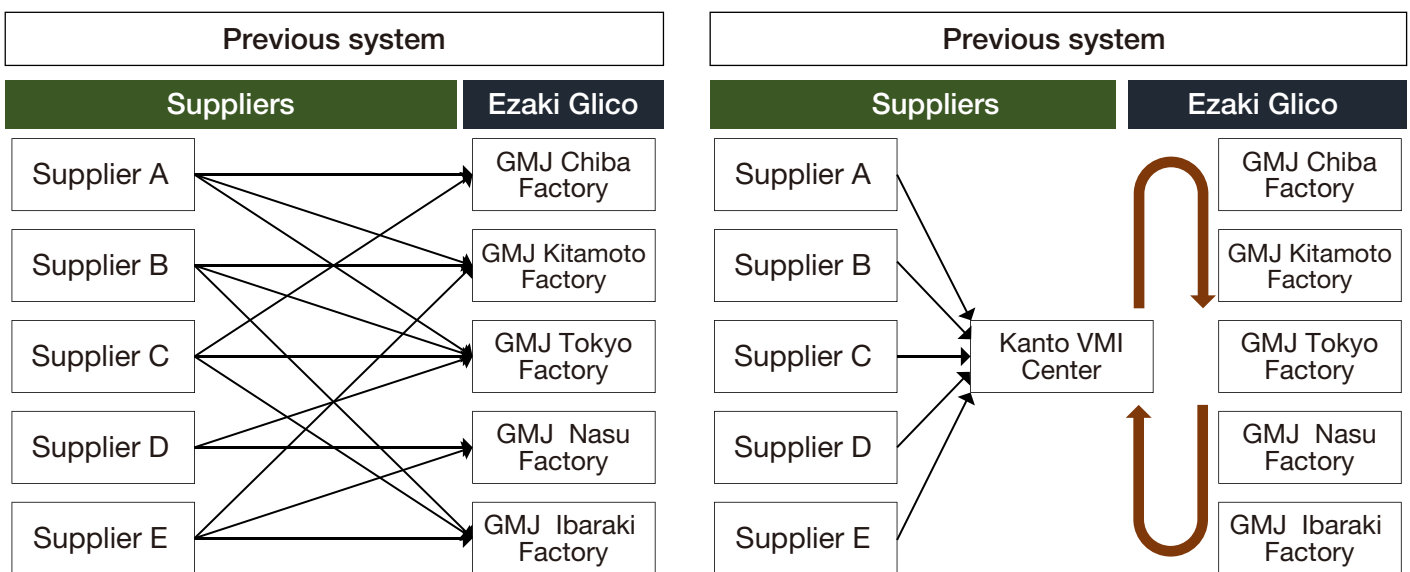
Ezaki Glico supports the White Logistics Movement, an initiative put forward by Japan's Ministry of Land, Infrastructure, Transport and Tourism, Ministry of Economy, Trade and Industry and Ministry of Agriculture, Forestry and Fisheries. The movement aims to contribute to economic growth while addressing 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.

Initiative	Details
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.

Use of Vendor Managed Inventory (VMI) warehouses

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. Kanto VMI Center (Kazo City, Saitama Prefecture) and Kansai VMI Center (Kobe City, Hyogo Prefecture) commenced operations in October 2019 and March 2022, respectively. This shortens the driving distances of trucks and lengthy truck unloading due to congestion, helping to reduce CO₂. The use of VMI warehouses resulted in an annual CO₂ reduction of 518 tons, which is a 75% from before.



Efforts in Product Planning, Marketing, and Sales

Environmentally friendly planning and design of products and consolidation of raw materials and ingredients for efficient procurement and use

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. 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.

Introduction of an internal carbon pricing (ICP) system

Ezaki Glico has introduced an internal carbon pricing (ICP) system* for the Glico Group's capital investment. Regarding capital investment that comes with changes to CO₂ emissions, the established internal carbon price is applied to calculate the virtual cost for use as one of the investment decision criteria. We promote low-carbon investment and climate change measures through the introduction of the ICP system.

*ICP system: This is a system that creates economic incentives for reducing emissions and encourage responses to climate change within a company by establishing an internal carbon price and converting CO₂ emissions into cost.

■ The Glico Group's ICP system

Internal carbon price	US\$63/ t-CO ₂ (*As of June 2023)
Scope of ICP system	Capital investments with changes to CO ₂ emissions
Method of application:	For applicable capital investments, the CO ₂ emissions are converted into costs by applying the internal carbon price, and the costs are used as reference when making investment decisions. As one of the decision criteria for capital investment, the ICP system is used to promote low-carbon investment and climate change measures.

Efforts for vending machines

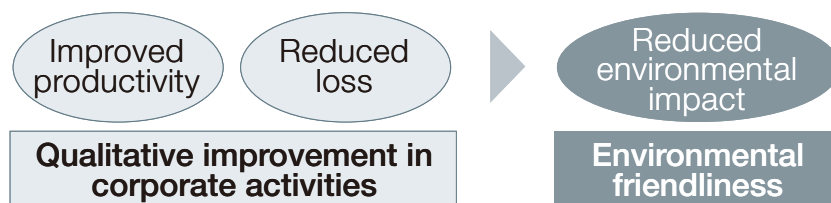
We also sell Seventeen Ice, beverages, and desserts through vending machines. We are systematically switching to energy-saving vending machines, such as using vacuum insulation in them and switching to LED lighting.



Energy-saving vending machine

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.



Energy-conservation initiatives at 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 forest certified paper.

Environmentally friendly driving in sales

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

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.

Certification as a company meriting the Eco Rail Mark

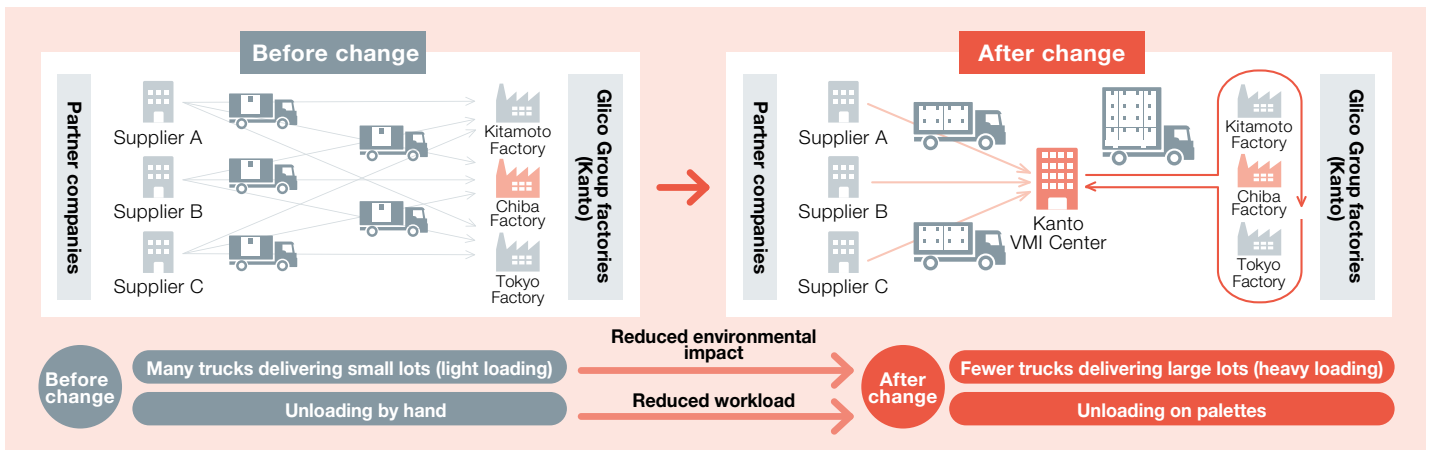
Ezaki Glico is certified as a company meriting the Eco Rail Mark.

Products with Eco Rail Mark certification



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.



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

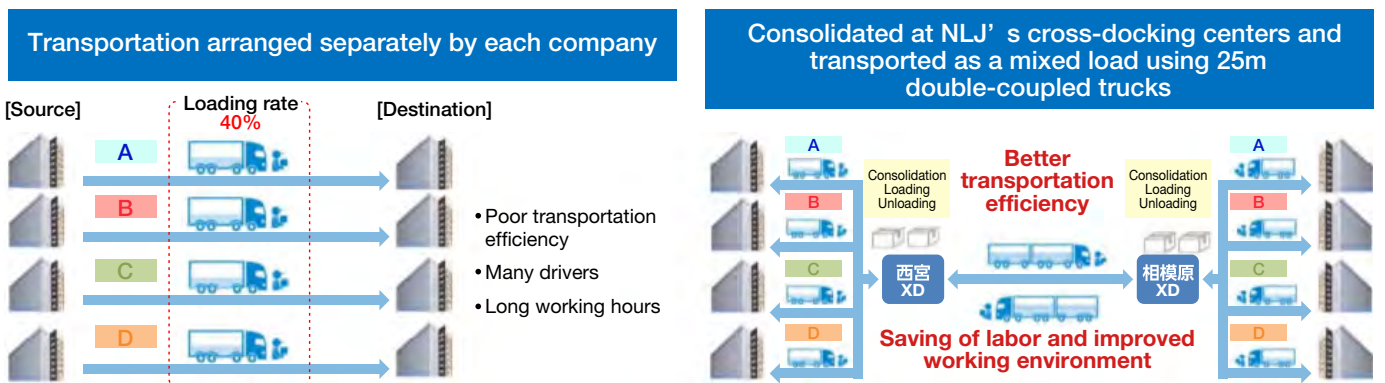
NEXT Logistics Japan, Asahi Group Holdings, Ezaki Glico, GION, Konoike Transport, Suzuyo, Chiyoda Transport, TRANCOM, Nichirei Logistics Group, Nissin Foods Holdings, Nippon Konpo Unyu Soko, Nippon Paper Logistics, Hino Motors, Bridgestone, Mitsubishi HC Capital, U-netrans

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

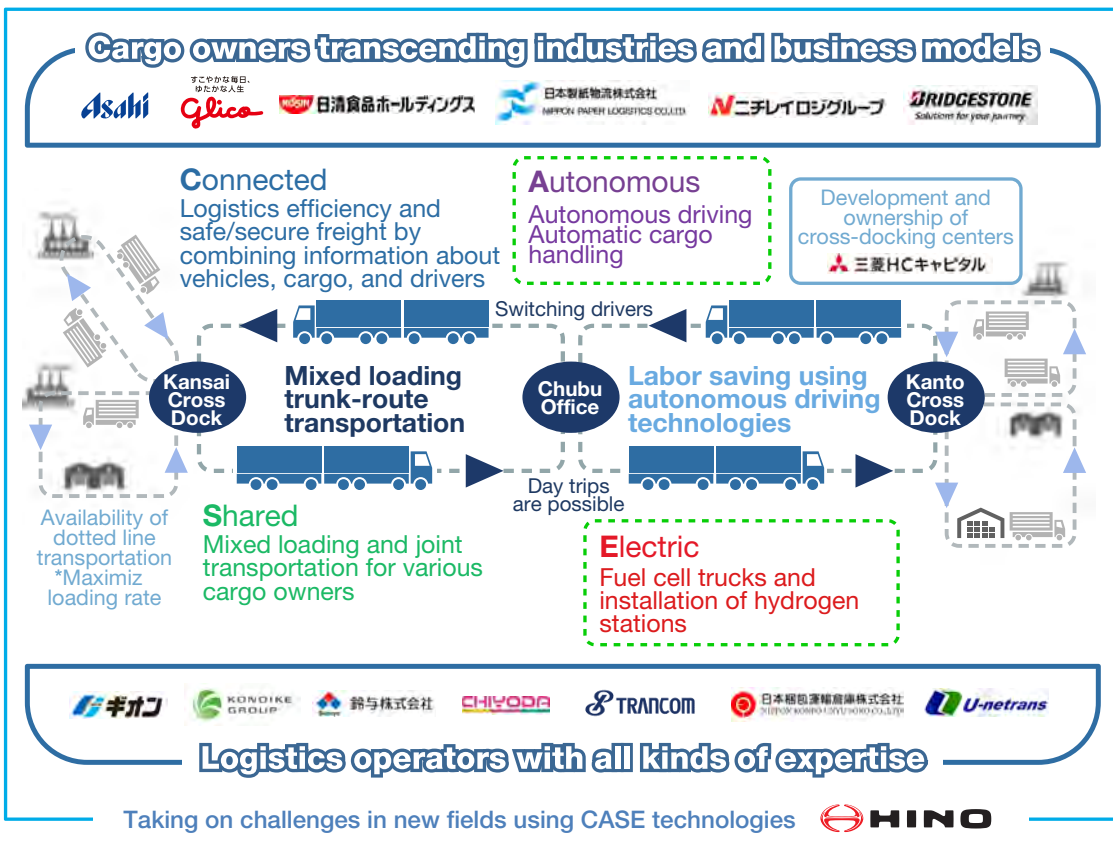
After



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



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

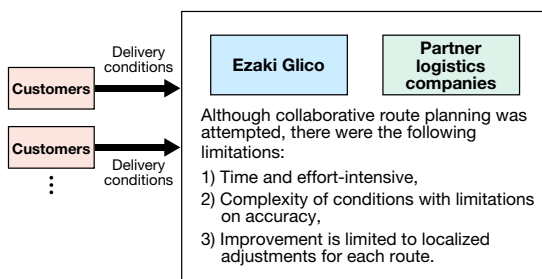
- Ezaki Glico
- Konoike Transport
- SEIWA
- ZENRIN DataCom
- LYNA LOGICS
- Daisei every24

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

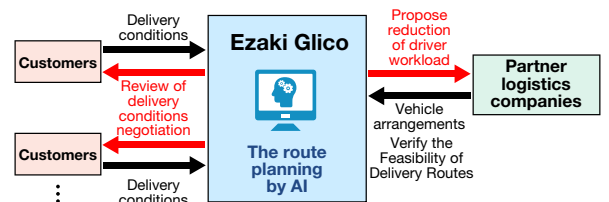
- In chilled sales logistics, best-before-dates and delivery lead times are short and delivery conditions are strict.
- **Routes are designed manually based on experience and intuition** according to the delivery conditions provided by each customer.



Comparing Partial Route Restructuring		
➔ Low Payload/ Inefficient Delivery	Loading capacity	52%
	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 following improvements have been achieved:
 1) Design is now possible in a short timeframe.
 2) Optimization under various conditions is feasible.
 3) Continuous improvement has become possible.

The Entire Route Restructuring			
➔ High Payload/ Efficient Delivery	Loading capacity	71%	+ 19%
	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 working hours: 25,185 hours/year (18% reduction)
- Reduction in number of vehicles: 4,745 vehicles/year (28% reduction)
- Annual loading capacity: 71% (19% improvement)

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

In Saitama Prefecture, out of the businesses that fall under the scope of the Target Setting Emissions Trading System, those that are exceptional in promoting global warming countermeasures are certified as an Excellent Large Business (Top Level Business, etc.).

GMJ Kitamoto Factory was designed as a factory that reduces CO₂ emissions by 25% compared to existing factories, and mainly manufactures Pocky and Pretz. It was certified as a Top Level Business in 2017, being recognized for its reduction of electricity consumption through improving the efficiency of heat source pumps and air compressors as well as the introduction of a system that uses medium-temperature chilled water which makes use of heat from well water. Subsequently, the factory renewed its certification in 2022.



Presentation of certification

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. We also contributed 10,836 tons of CO₂ reduction credits to Tokyo in support of the city's Zero Emission Tokyo Strategy for net-zero CO₂ emissions by 2050 (January 2020).



POs-Ca gum in eco-friendly pouch

2. Sustainable Use of Water Resources

Glico Group Environmental Vision 2050 Medium- to Long-term Quantitative Environmental Goals

Sustainable Use of Water Resources



FY2030 Target
 -10% Output Level

(Water Consumption t/Production Weight t)

FY2050 Target
 -20% Output Level
 + Zero Water Pollution

All figures are compared to 2013

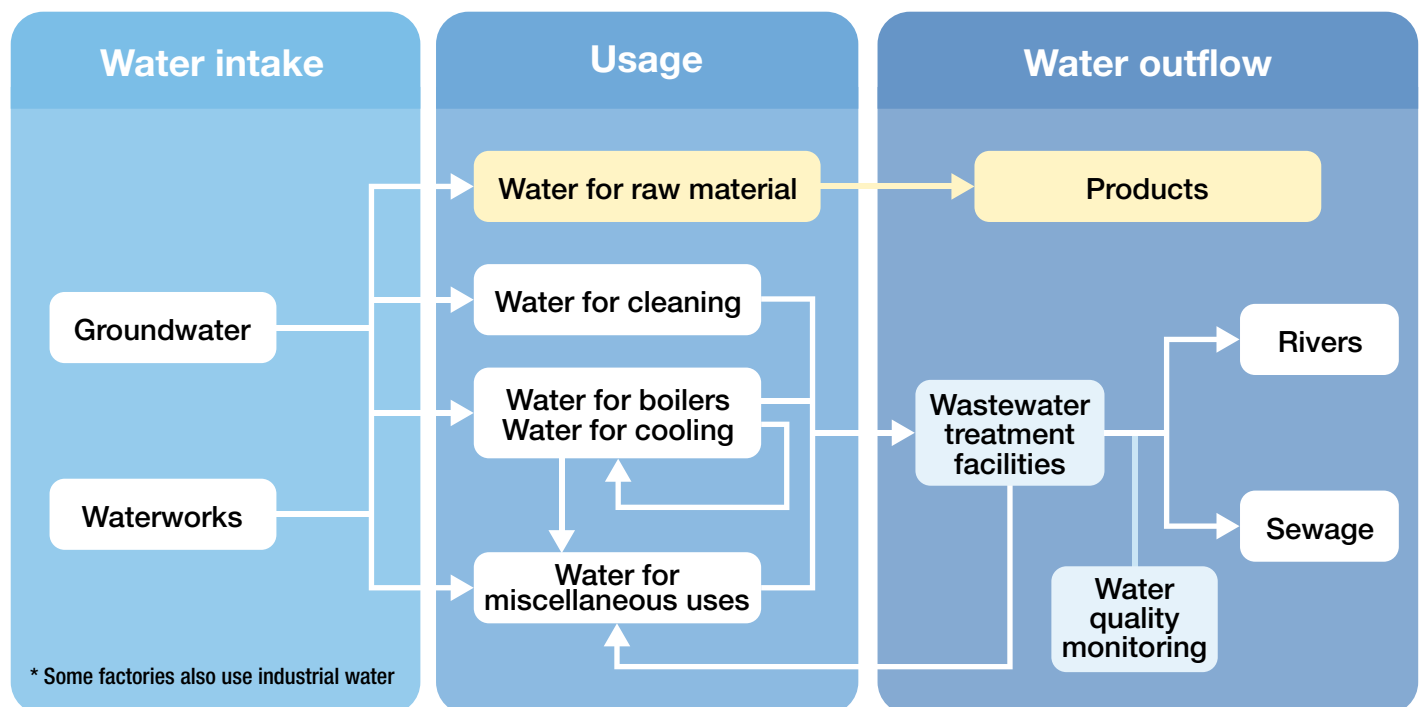
Progress of Environmental Vision 2050 (Global)

2 Sustainable Use of Water Resources	Reduction rate of unit consumption of water (consumption per unit production)	Base year	Results			Targets	
		2013	2021	2022	2023	2030	2050
			-3.0%	-0.3%	2.2%	-10%	-20%

In FY2023, unit consumption of water increased by 2.2% compared to 2013.

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.

Actual Results for Water Intake and Outflow



Water intake

		Unit	2021	2022	2023
Total water intake	Global	1,000 m ³	2,821	2,773	2,768
	Groundwater	1,000 m ³	2,118	2,132	1,983
	Waterworks	1,000 m ³	438	397	478
	Industrial water	1,000 m ³	265	244	307
Total water intake	Japan	1,000 m ³	2,590	2,571	2,512
	Groundwater	1,000 m ³	2,118	2,132	1,983
	Waterworks	1,000 m ³	208	199	283
	Industrial water	1,000 m ³	265	240	247

Water outflow

		Unit	2021	2022	2023
Total water outflow	Global	1,000 m ³	2,203	2,156	2,109
	River discharge	1,000 m ³	1,493	1,459	1,441
	Sewage	1,000 m ³	710	696	668
Total water outflow	Japan	1,000 m ³	2,011	1,986	1,904
	River discharge	1,000 m ³	1,488	1,452	1,434
	Sewage	1,000 m ³	523	534	471

* Excluding water used as a raw material

Initiatives for reduced water usage at manufacturing factories

Production activities are carried out at the production factories of the Glico Group using water from sources such as groundwater—a blessing of the land—and public waterworks. We promote the 3Rs (reduce, reuse, and recycle) of water in our daily production activities. Wastewater from production activities is purified using water treatment facilities and discharged into rivers and sewers after meeting local standards for wastewater discharge. We are also striving to ensure higher awareness of our employees regarding water conservation and quality as we work toward the use of sustainable water resources.

Baseline measures for the 3Rs of water

- By reviewing the method for cleaning the inside of pipes, we reduce the usage of water for cleaning while confirming quality.
- We review the operation and management of water-cooled air conditioning systems and strive to save water and energy.
- We recover hot water for sterilization and drain water (dew condensation water) as far as possible for reuse.
- We are systematically switching to facilities that have good water-saving functions.

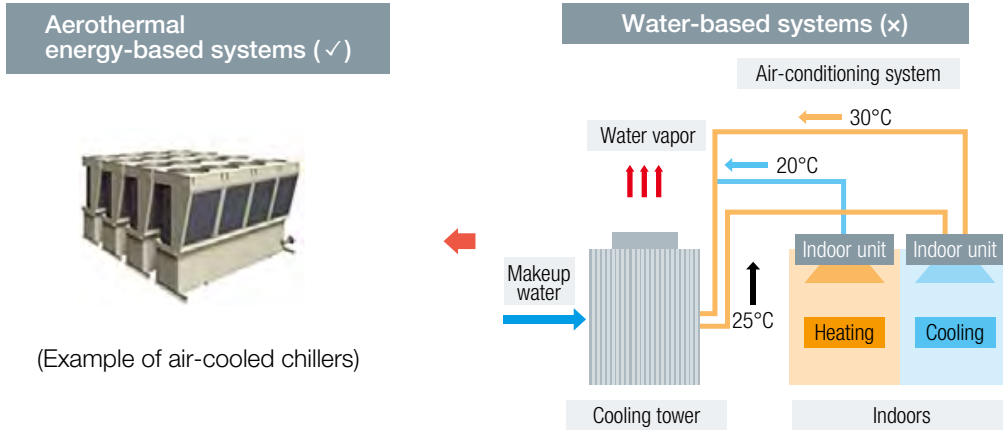
Reduced water usage

Higher accuracy in managing the use of cooling water

We reduce water usage in the production process through higher accuracy in the management of cooling water usage.

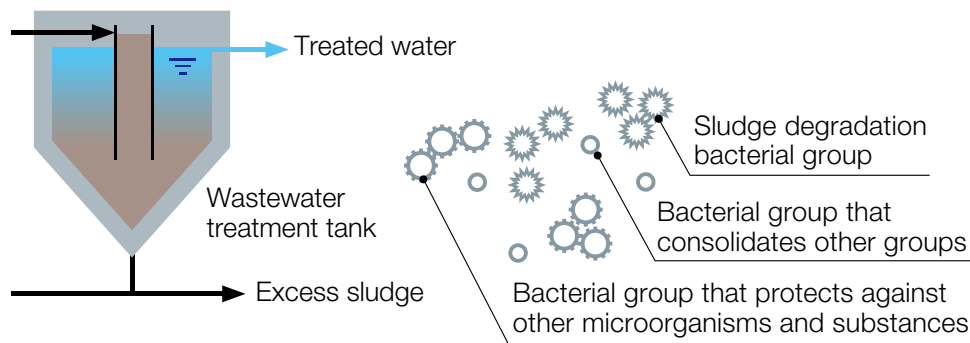
Air conditioning systems that need water for cooling use vaporization heat to achieve heat exchange through cooling towers where supplied water is evaporated. About half of the clean water used at our confectionery factories is used as makeup water for these cooling towers.

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.



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 are being extended to other factories since FY2021.



Automatic operation of wastewater treatment facilities

At Nasu Factory, we installed sensors to the wastewater treatment facilities on our own to allow constant monitoring of water volume and quality. We switched from the previous manual operation and management to automatic operation by introducing a program that allows automatic control of flow rate, aeration rate, and such according to the situation. This allows even more stable management of wastewater. We are considering extending this initiative to other factories in the future.

3. Sustainable Use of Container and Packaging Resources

Glico Group Environmental Vision 2050 Medium- to Long-term Quantitative Environmental Goals

Sustainable Use of Container and Packaging Resources



All figures are compared to 2017

Progress of Environmental Vision 2050 (Global)

3 Sustainable Use of Container and Packaging Resources	Reduction rate of unit usage of single-use plastics (tons of single-use plastics purchased per unit of product sales)	Base year	Results		Targets
		2017	2022	2023	2030
			-9.9%	-16.6%	-25%

In FY2023, the unit usage of single-use plastics was reduced by 16.6% compared to 2017. We aim to completely replace plastic with recycled materials by 2050 through reductions in alignment with production technology improvement and the review of existing standards, as well as a shift to biomass materials.

3 Sustainable Use of Container and Packaging Resources	Usage rate of forest certified paper	Base year	Results			Targets	
		2017	2021	2022	2023	2030	2050
			50%	67%	99%	100%	100%

In FY2023, the usage rate of forest certified paper was 99%, approaching the targets of switching 100% to its use in 2030 and 2050.

ISO 14001 Targets and Results (Japan)

Environmentally friendly design of products

- Increase usage rate of forest certified paper in paper packaging
- Reduce use of one-way plastic packaging

FY2023 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

Approach

Environmentally friendly planning and design of products and procurement of packaging materials

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. 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. 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.

Efforts to Reduce Plastic Usage

Participation in WWF Japan's Plastic Circular Challenge 2025

Since June 2023, Ezaki Glico has been participating in the Plastic Circular Challenge 2025 being advocated by World Wide Fund for Nature Japan (WWF Japan). We aim to realize a sustainable society in regard to the issues of environmental pollution—including pollution of the oceans from packaging and single-use plastics—and climate change.



Plastic Circular Challenge 2025 is a framework launched by WWF Japan in February 2022 to promote reduction and reuse of plastics toward the realization of a circular economy. The framework aims to eliminate pollution of the environment—including the oceans—by plastics and limiting the impact of climate change. Participating companies commit to five initiatives by 2025.

1. Stop using problematic or unnecessary plastics. In addition, set reduction targets toward reducing environmental impact and work on those targets. When switching to alternative materials, fully consider their sustainability.
2. As far as possible, switch to a model of reuse (including reuse of other materials)
3. As far as possible, use designs that can be reused or recycled.
4. Set an ambitious target for the use of recycled materials.
5. Cooperate with stakeholders to improve reuse and recycling rates.

Reducing the Amount of Packaging Used and Introducing Environmentally Friendly 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.

[Tray]

In 2018, 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 2022, we embarked on thinner outer packaging for Pocky (eight packets) and Pretz (eight packets), reducing approximately 42 tons annually compared to the past.



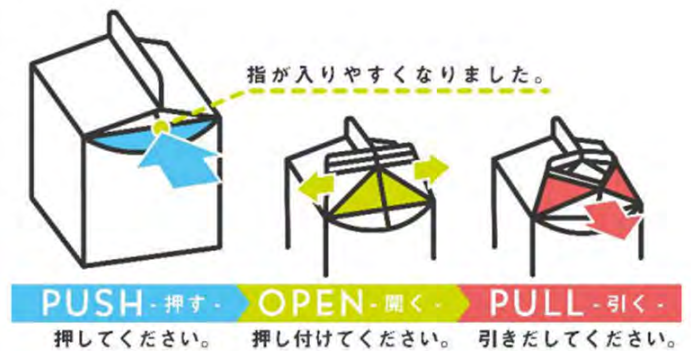
[Straws]

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

In April 2022, Ezaki Glico abolished straws for milk being provided with school meals. We switched to the use of easy-to-open paper packs that can be easily consumed without straws. This led to an annual reduction of approximately 25 million straws in 2023 compared to 2021, or approximately 25 tons when converted to carbon dioxide (CO2) emissions. A hole for straws was kept as per the past to also meet the needs of children and students who require straws.



[Shrink Film]

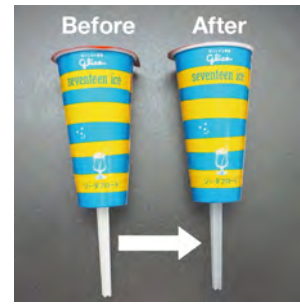
From March 2021, the laminated shrink film used on Choushoku Ringo (Breakfast Apple) Yogurt plastic cup containers was eliminated and specifications were changed to enable printing directly on the containers, which reduced usage of plastic. From May, biomass plastic replaced part of the raw materials 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

Reducing Paper Usage and Using Environmentally Friendly Paper

Use of forest 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.



Some products using FSC®-certified paper

責任ある森林管理
のマーク



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.

Going paperless and promoting digitalization

Since January 2018, we have been shifting to paperless operations to improve work efficiency and productivity as well as effectively use resources. At the same time, we have been promoting digitalization. We are reducing our use of paper while reviewing the way we work and going paperless in offices.

Other Efforts to Promote 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.

Encouragement of sorting

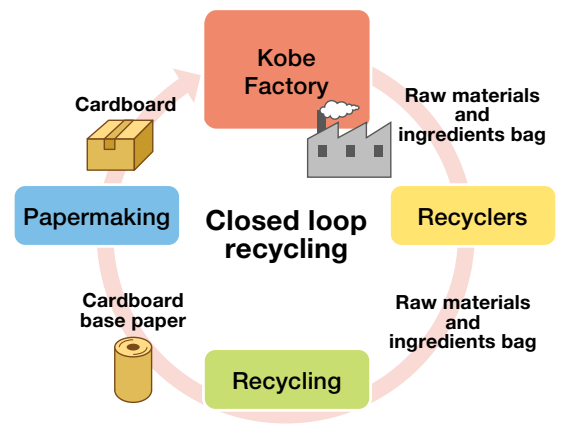
By setting up refuse sorting stations based on meticulous sorting standards, we ensure sorting by changing from a mindset of throwing away to a mindset of sorting for the recycling of resources.

Reduction of packaging materials

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.

Closed loop recycling of packaging at Kobe Factory

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.



4. Reduction of Food Loss/Waste

Glico Group Environmental Vision 2050 Medium- to Long-term Quantitative Environmental Goals

Reduction of Food Loss/Waste

FY2030 Target

FY2050 Target



-95%



-95%

All figures are compared to 2015

Progress of Environmental Vision 2050 (Global)

4 Reduction of Food Loss/Waste	Reduction rate of total food loss/waste generated	Base year	Results			Targets	
		2015	2021	2022	2023	2030	2050
			-94%	-88%	-83%	-95%	-95%

The reduction rate of total food loss/waste generated in FY2023 was 83%. We are working on the reduction of food loss/waste toward the target of 95% by 2030. Besides focusing on initiatives to eliminate disposal, such as increasing supply chain efficiency and improving the accuracy of demand-supply projections, we are also undertaking outlet sales of products with minor flaws that have no quality issues as uneven ones. Through these initiatives, we aim to achieve a 95% reduction in food loss/waste by 2050.

ISO 14001 Targets and Results (Japan)

Initiatives for zero waste and food loss

Initiatives for zero waste and food loss: Promote food recycling and reduce food waste that cannot be effectively used

FY2023 Targets	Results/achievement rate	Evaluation
Achieve raw material loss across all manufacturing companies of 95% or less of benchmark	94.1% (domestic manufacturing companies)	Pass
Reduce product disposal by 12% or more of benchmark	Increase of 94 tons (Waste from domestic product disposal that is not recycled through food recycling)	Fail

Approach

Food loss and food waste

Food loss/waste at Glico is categorized as either food loss generated by factories and other production facilities, and food waste from unsold products and leftover food. We are undertaking initiatives toward reducing both food loss and food waste.

As a measure to reduce food loss, we prioritize reducing disposal first, such as reducing food loss when establishing production facilities for mass production of new products. In addition, all factories work on qualitatively improving the level of recycling. Besides use as fuel, recycled materials—which had been used as heat sources in the past in the form of thermal recycling, whereby the heat energy from incineration of waste is used—are also used as fertilizers and livestock feed.

At the same time, to reduce food waste, we strive to improve the accuracy of our demand and supply operations to avoid having unsold products. We are also implementing initiatives to reduce disposed products by using ideas in manufacturing methods and packaging to achieve longer best-before dates. We are also working toward the realization of a recycling society, such as by conducting programs that allow employees to experience composting using household food waste.

Initiatives to Reduce Food Loss

Release of uneven products



The Glico Group strives to reduce food loss. For example, in the manufacturing process at factories, products that do not conform to the shipment standards are recycled into livestock feed or compost, or dissolved and reused as raw materials for other products. In addition, products that fall outside specification—such as those with chips, cracks, or bends in their shapes—but meet flavor and other basic quality standards are sold at factory outlets as uneven products.

* Sale locations and periods may vary.

Efforts in Production

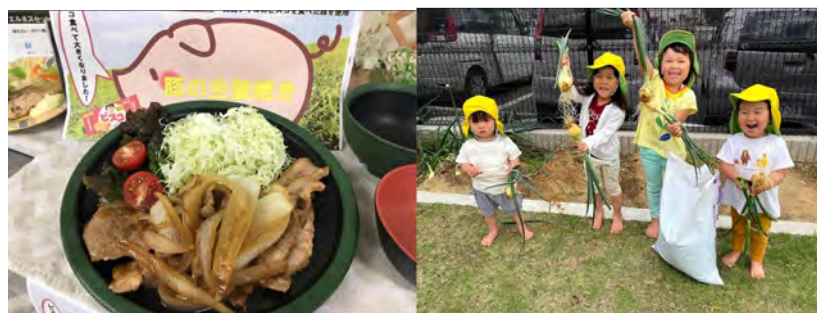
Since before, the Glico Group has been working toward zero emissions (achieving zero waste disposed in landfills out of waste emitted from production activities) at factories. Under Japan's Food Recycling Act, the target recycling rate for food manufacturing is currently set at 95%. The Glico Group's 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.



Food recycling loop at Kobe Factory

Kobe Factory regularly conducts a food recycling loop initiative where waste from the factory is used to create new resources and food products. This helps raise employee awareness of waste reduction measures.

Bisco disposed by Kobe Factory is crushed and provided to a livestock feed company as feed for pigs. We purchase some of these pigs raised on this feed and use them for dishes being served at the employee cafeteria of Kobe Factory and the adjoining daycare center Kodomopia. In addition, cacao skin generated as waste is made into fertilizer and used in the kitchen garden in Kodomopia that is being cared for by the children there. The vegetables grown there are provided with the midday meals at the center. These initiatives were recognized with an award at the 14th Kids Design Awards in 2020.



A dish using pork from pigs raised with livestock feed made from disposed Bisco (left) and vegetables harvested from the adjoining daycare center Kodomopia (right)

Recycling of powdered milk at Kaibara Factory

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.

* Kaibara Factory ceased production in April 2024, and the manufacturing of Icreo has been shifted to other factories.



Donation 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.

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. We will continue working closely with local communities to reduce the amount of food loss.



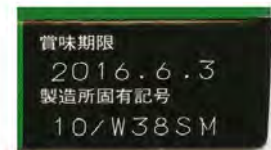
Volunteering at Lüzhou food bank

Initiatives to Reduce Food Waste

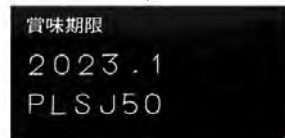
Longer Best-Before Dates and Month/Year Labeling

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 in the setting of best-before dates.

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.



Years and dates



Years and months

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.

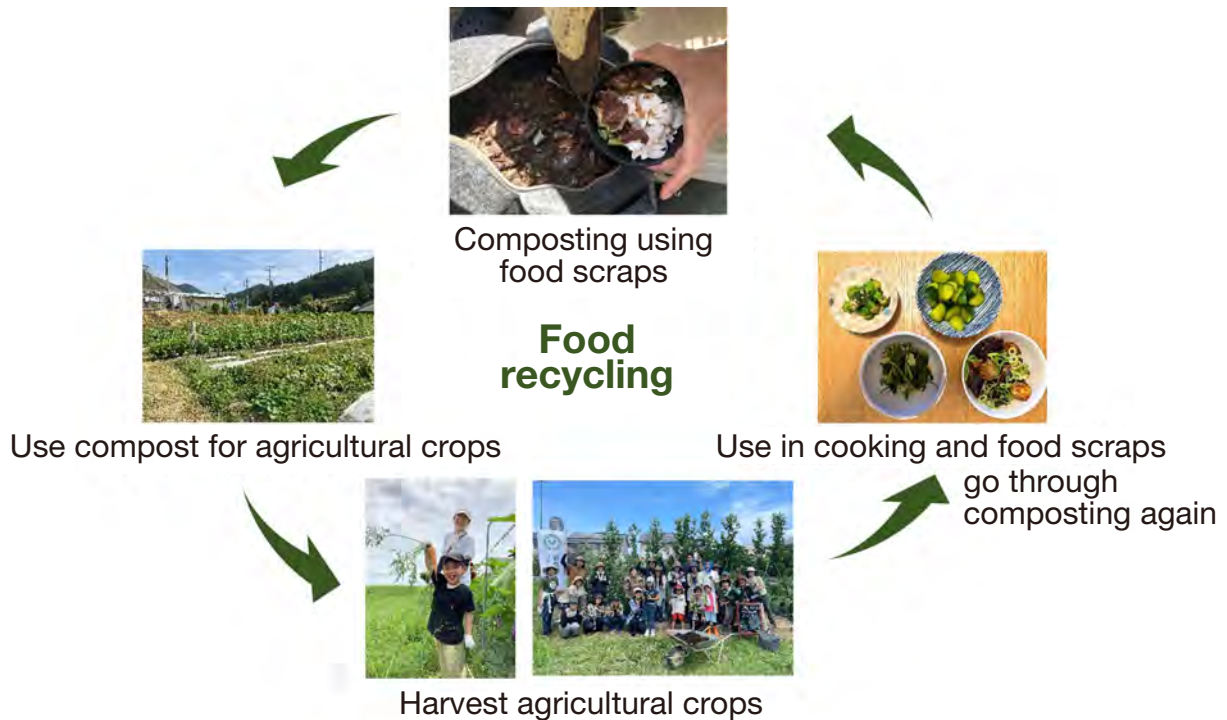


Encouragement of recycling in sales

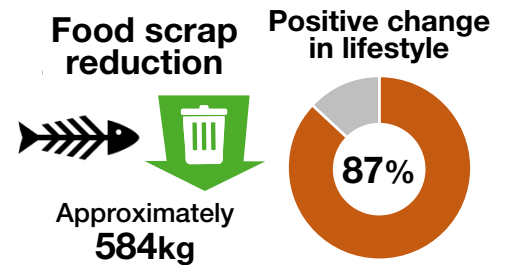
To address waste merchandise connected to Ezaki Glico's sales departments, we have been endeavoring since fiscal 2002 to recycle resources by recycling this waste into animal feed and fertilizer. Since sales promotion materials used at supermarkets and other outlets generate a large amount of waste,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

Employees' practice of food recycling by composting using food scraps

In 2023, we conducted our first program to let employees experience reduction of food loss/waste and food recycling.



In 2023, 50 employees participated in a program in which they carried out composting using food waste (food scraps) from their homes. Through collaboration with local farmers, compost is used to grow agricultural crops, which are then harvested by employees and used in cooking at their homes. Food scraps go through composting again. Together with reducing approximately 584 kg of food scraps, 87% of the participants felt a positive change to their lifestyles.



Feedback from the participants include “I again recognized that I can reduce food waste by composting food scraps that are usually thrown away,” “I realized that participating in sustainable initiatives makes me feel good,” and “My children, who do not like vegetables, enjoyed eating the vegetables they harvested themselves.” We will continue to conduct programs that deepen employees’ understanding of business and spur them to action through experiencing things themselves.

Communication to Raise Awareness about Reducing Food Loss

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.

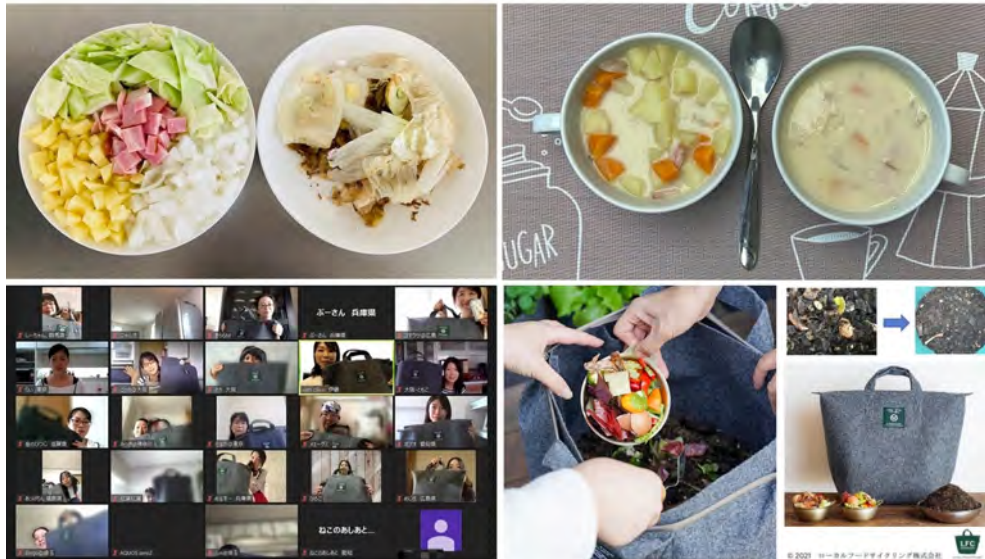


Fan meetings for practicing food loss reduction

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 2023, we conducted a total of three fan meetings that allow parents and children to work on school vacation projects. The project theme for the first fan meeting was composting, and participants learned how to go about composting. At the second meeting, parents and children tried their hands at cooking together, and after enjoying the food, used the vegetable peels and scraps generated during cooking to experience composting. At the third meeting, participants shared with each other their thoughts about composting, which they have been doing for approximately a month, and also tried a quiz on composting. 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.>

Sponsorship of the UN WFP "#GochisousamaChallenge"

"#GochisousamaChallenge" is a social media campaign by Japan Association for the World Food Programme. The campaign promotes interest in the two food-related issues of food loss and hunger, and also allows donations through initiatives for reducing food loss. People can post on social media (X, Instagram, and Facebook) using the hashtag "#GochisousamaChallenge to Eliminate Hunger" about efforts taken to reduce food loss or their hands together in thank after eating. In 2023, a record number of 211,394 posts applicable for donations were gathered, delivering school meals to 500,000 children. The Glico Group supports and sponsors this initiative.

"Loss-non" tabletop advertising by the Ministry of Agriculture, Forestry and Fisheries

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.



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.

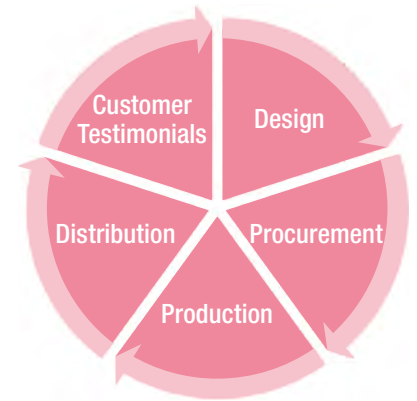
Each and every employee of the Glico Group will understand and implement the above.

Established in September 2020

Revised in January 2023

To Ensure Great Taste

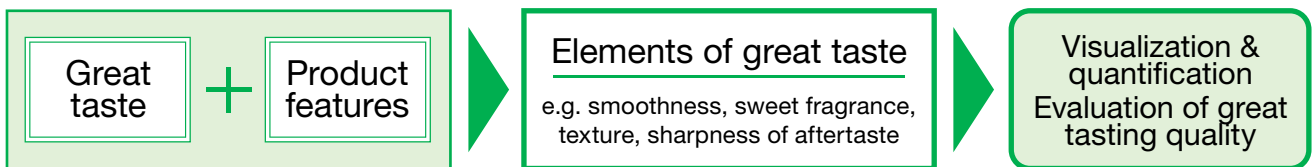
To improve the great taste enjoyed by customers who consumed Glico products and the great taste of products that Glico will be launched in the future, the entire value chain—including product design and manufacturing divisions—will listen to the voices of customers to create even better quality.



Visualization and Quantification of Great Tasting Quality

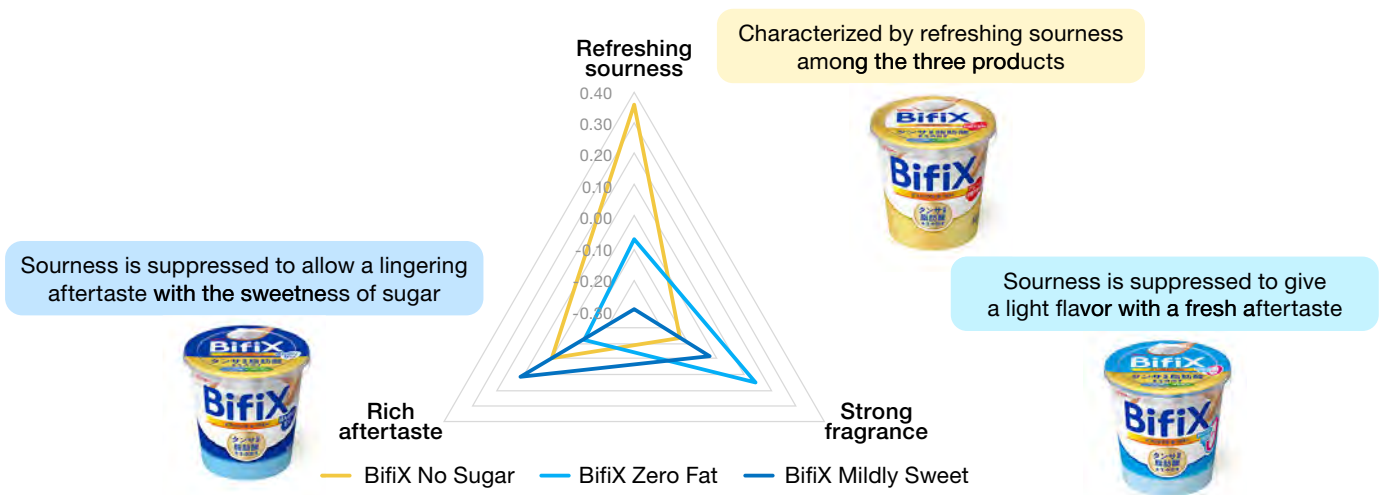
Splitting great taste into elements for evaluation

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

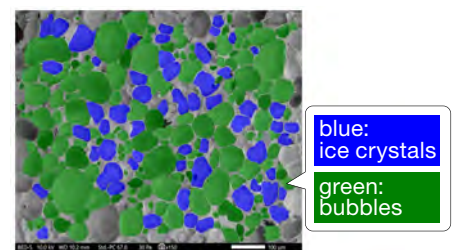
BifiX yogurt products The three *BifiX* yogurt products differ in their respective flavor characteristics to cater to a wide range of customer preferences.



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.

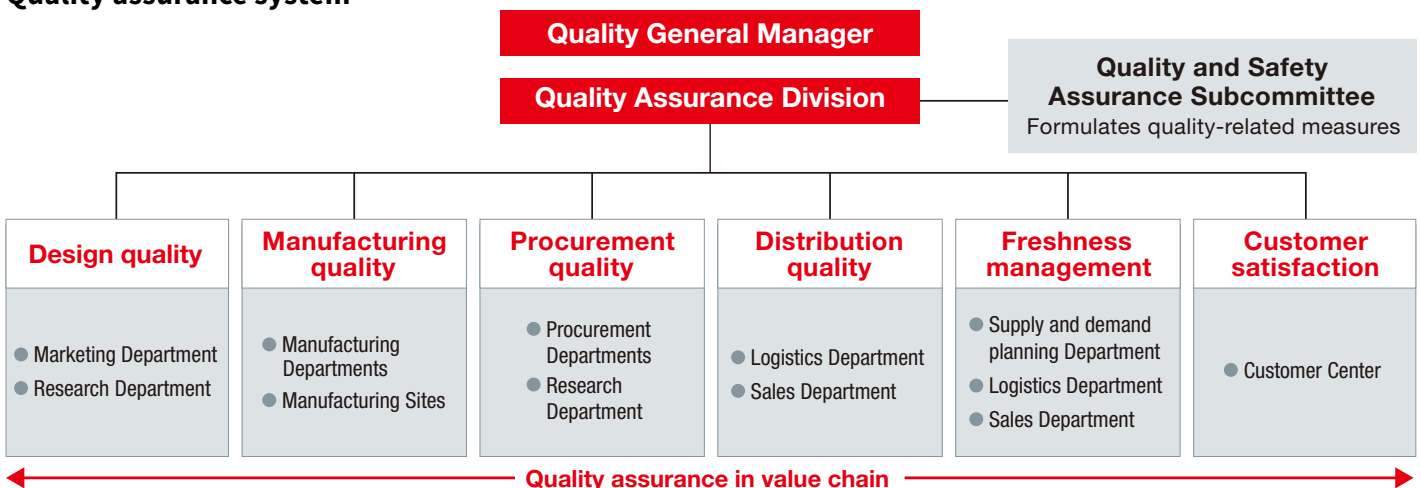
Approach

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 (marketing, research and development, procurement, manufacturing, logistics, and sales 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 planning and development through to manufacturing, logistics, advertising, and sales activities.
2. We promote quality assurance activities that comply with CODEX and such to establish a quality assurance system that meets global standards.
3. 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.
4. We conduct a range of education and training to nurture in employees a culture of prioritizing and ensuring quality.
5. We establish standards for raw material use and selection of factories and warehouses, and conduct quality audits with auditors certified through internal tests.
6. 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.
7. 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.

Quality assurance system



Quality assurance at 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. 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.

Initiatives

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 the Glico Group 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. 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.

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.

Quality Instructor & Auditor Certification System

At the Glico Group, 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 three years, and it is necessary to complete the learning program and pass the test again during renewal.

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.

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

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. All raw materials and ingredients are also verified for quality just before use. Moreover, we have developed a system that assigns QR codes to raw materials and ingredients so that their history of use can be tracked.



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.

Specifically, for food safety assurance during manufacturing, all Glico Group factories*, including those overseas, obtain certification recognized by the Global Food Safety Initiative (GFSI). 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.

* Excluding certain affiliated companies.

Logistics 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.

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.

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.

The Glico Group sells milk and such for infants and toddlers, and promotes marketing activities in accordance with the Glico Group Breast-milk Substitutes Marketing Policy.

Glico Group Breast-milk Substitutes Marketing Policy

The World Health Organization (WHO) adopted the “International Code of Marketing of Breast-milk Substitutes” (“the WHO Code”) to prevent impairment of breast-feeding and adverse impact on the health of infants and young children due to excessive advertising and inappropriate use of breast-milk substitutes, such as infant formula.

The Glico Group supports the WHO’s recommendation to breast-feed in the first six months of age and then introduce appropriate complementary foods in addition to breast-feeding. Therefore, we will promote our marketing activities in accordance with the guidelines shown in 1 through 6 below.

[Guidelines]

1. In marketing our infant formula products*1 (“Our Products”), we will comply with the laws and regulations of each country/region in which we conduct business, and will be engaged in activities respecting the WHO Code.
*1 Products targeting infants up to about twelve months of age.
2. We provide objective information when governments or medical institutions request information on Our Products.
3. As for Our Products, we do not engage in sales promotion activities targeting the general public.
4. We cooperate with medical institutions, social welfare organizations, disaster relief organizations and so forth when such cooperation is requested.
5. We print on Our Products not only the superiority of breast-feeding but also the information necessary for safe and appropriate use of Our Products. Further, we do not use pictures or texts which may idealize the use of Our Products.
6. We educate our officers and employees*2 for securing compliance with these guidelines. Also, we ask our partner companies to respect these guidelines.

*2 The term “officers and employees” in these guidelines means officer(s) (including, but not limited to, directors, auditors and corporate officers) and employee(s) (including, but not limited to, contract employees and temporary workers) of the Glico Group.

Established in December 2023

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.

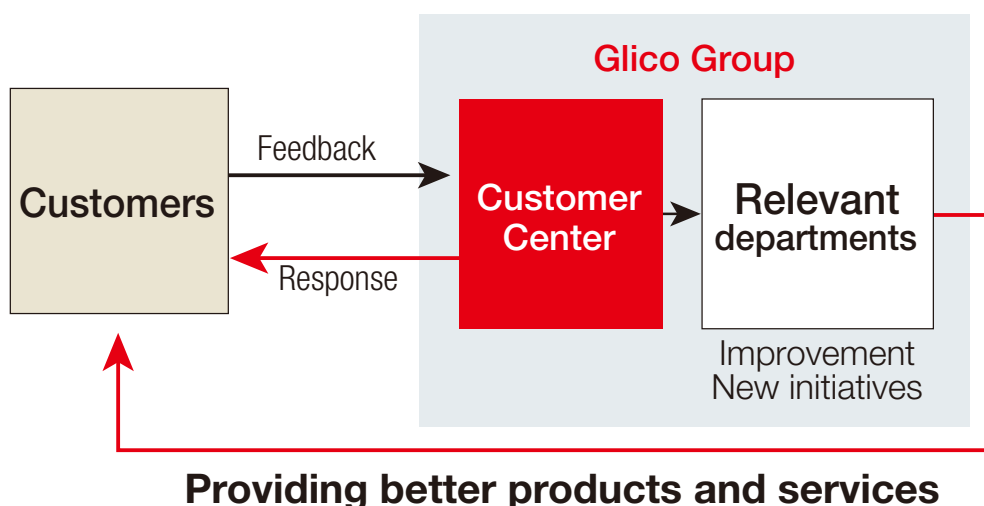
Customer Center

The center receives roughly 30,000 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

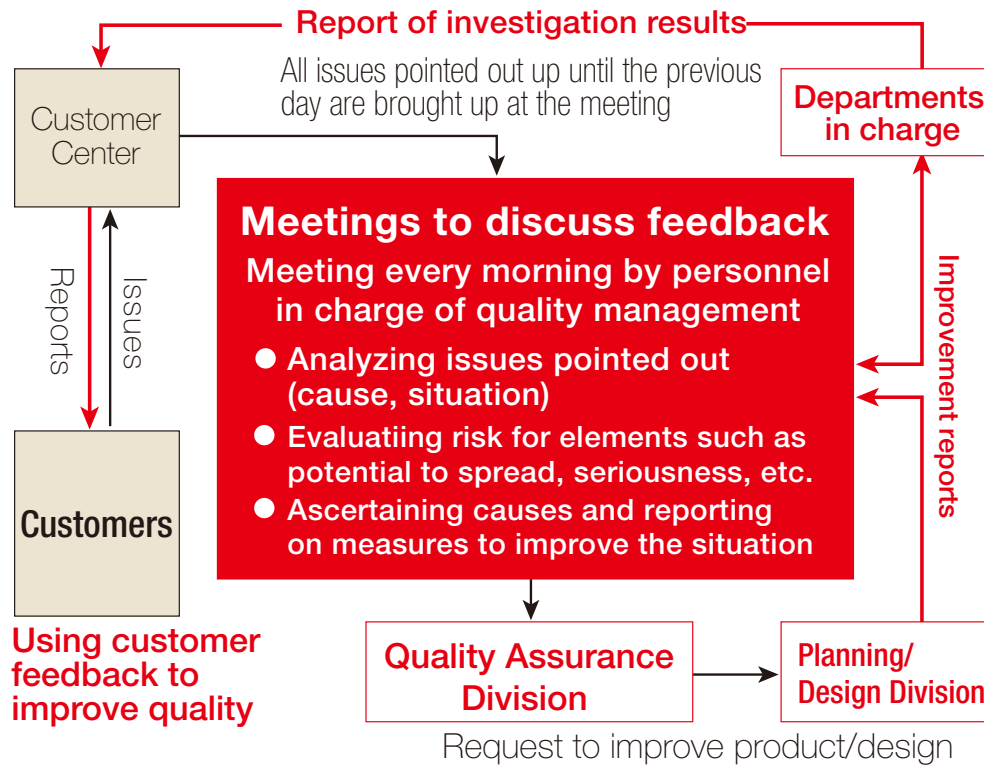
In the Glico Group, we investigate the causes of any quality problem and work to improve quality. If any quality problem occurs, we share it within the group as we strive to prevent recurrence.

Number of voluntary recalls

Year	FY2020	FY2021	FY2022	FY2023
Recalls	0	0	2	0

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

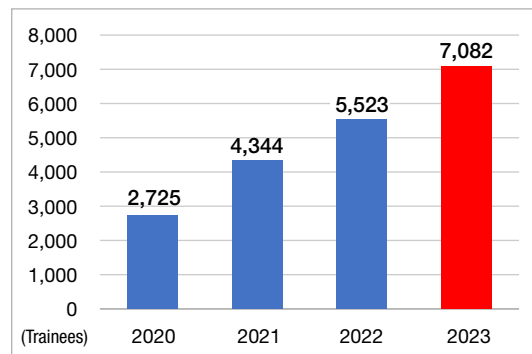
Experience-based customer center training

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.



Experience-based customer center training

Since FY2021, we have been conducting the training online to increase the number of trainees. Going forward, we will expand the scope to all Group employees.



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.

Product labels that are easy to understand for all customers

At the Glico Group, we have established in-house standards for labeling in addition to laws, regulations, and industry standards to provide products and services that are easy to understand for all customers and can be used with peace of mind by them. We adopt a variety of ideas for labeling on packaging, such as the use of easy-to-understand words and symbols, appropriate colors, and fonts that are easy to read for many people. We are advancing the use of pictograms in certain products to comply with color universal design and to easily convey matters that are otherwise difficult to understand using words alone.



Examples of pictograms

* Progressively being added to packaging

First food manufacturer in Japan to achieve UCDA's Tsutawaru Design certification

In August 2023, Ezaki Glico became the first food manufacturer in Japan to obtain third-party certification from the Universal Communication Design Association (UCDA) for the revamped product packaging of *Takikomi Gozen*.



Before and after changes to the packaging of *Takikomi Gozen Gudakusan Torigomoku*

The product packaging of *Takikomi Gozen* contains a lot of information in words, including the method of preparation and cautionary notes during cooking. There were issues with being easy to read and understand. The packaging of *Takikomi Gozen Gudakusan Torigomoku* was therefore revamped based on evaluation from experts and consumers. The product achieved the UCDA's Tsutawaru Design certification, which certifies not only the design's easy legibility but also its ease of understanding by validating the level of understanding by users.

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

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 called *Plant-Based Pucchin 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.
- * The packaging design may differ from the one shown. Always confirm allergy information using the actual product packaging on hand.

Seventeen ICE that does not contain allergens



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.

A customer provided pleasing feedback, “When I heard that *Grape Sherbet* does not contain any allergens, I was able to give it to my daughter for the first time. Seeing her happy face filled me with great joy. Thank you.”

Improvement of packaging design and labels

Stating best-before date and allergy information even on individual packaging of *Chokotto Pucchin Pudding*

Before improvement



After improvement



Customer feedback

“A child brought pudding to school, but the container only had the product name and there was no information about allergies.

As the outer packaging has been disposed of, the best-before date is unknown. If possible, it would help if each serving states the best-before date.”

Improvements

Best-before dates and allergy information were labeled on the outer packaging and not on the packaging for each individual serving. The design of the top cover was revised for products sold on and after October 30, 2023, switching to a product where best-before dates and allergy information (contains egg and milk ingredients) were labeled on each serving.

* The packaging design may differ from the one shown. Always confirm allergy information using the actual product packaging on hand.

Making shelf-life label easier to understand for *Jobiyo Curry Shokunin*

Before improvement: Product sold in February 2021



After improvement: Product sold in November 2023



Customer feedback

“The best-before date on *Jobiyo Curry Shokunin* is stated as October 2022, but the front states five years after manufacturing. Does this mean it should be consumed within five years of the stated date?”

Improvements

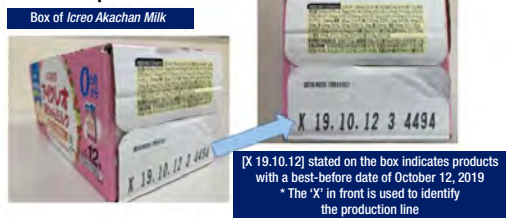
The best-before date is stated as five years after manufacturing, causing many customers to misunderstand.

Customers remember the period of five years, and there are some who think it is five years after purchase, as well as some who mistake the best-before date printed elsewhere as the date of manufacturing. The label for products being sold in and after November 2023 was therefore changed.

The top right of the packaging states that the best-before date is five years and six months after manufacturing. Meanwhile, the bottom right states that the month of manufacturing is five years and six months before the best-before date, and the best-before date is stated at the lower part of the rear side.

Improvement to confusing labeling of best-before date on the box of *Icreo Akachan Milk*

Before improvement



After improvement



Customer feedback

There was an inquiry from a customer who bought a box of *Icreo Akachan Milk* asking, “[R22.02.05] is stated on the box. Is this the best-before date? Does ‘R’ mean Reiwa and thus 2040?”

The letter in front of the best-before date—such as H and R—is an alphabet for identifying the production line. It seems the customer mistook it to mean that the best-before date is being labeled using the Japanese era—such as Heisei and Reiwa—for the year.

Improvements

Since February 2023, the labeling of best-before dates on boxes no longer use alphabets such as H and R in front of the dates. At the same time, spaces were replaced with slashes (/).

Conspicuous labeling of method for removing straw (*Infant Drink*, *100% Fruit Juice*, *Almond Koka*, *Café au Lait*, and functional milk beverages)

Before improvement



After improvement



Customer feedback

“The straw for *Infant Apple* is difficult to remove from the paper pack, even by an adult. I ended up cutting it off with a pair of scissors.

Even after removing from the pack, it is difficult to get the straw out of the plastic wrapping. In the end, an adult’s help is needed, and a child cannot drink it by themselves. Can you do something about this?”

Improvements

The straw can be easily removed by pushing from the top while attached to the product. Removing it from the product first makes it difficult to get the straw out of the wrapping later.

Some Glico products did not have any labeling on the method of removal or had inconspicuous labeling of “Push out→” on the wrapping. Therefore, to make the straw removal method easy to understand, since March 2023, we have progressively switched to labeling the method of removal by pushing and the direction to push—such as “→Push out this way→”—using large characters on the wrapping.

Improvement to let customers know that *SUNAO Cream Sandwich* is individually packaged



(added labeling stating that it is individually packaged)

Customer feedback

“I am now at a supermarket. The packaging of *SUNAO Cream Sandwich* <Almond & Vanilla> states that it is a pack of six.

Are they individually packaged, or loosely packaged inside the box?”

Improvements

The front of the box only states that it contains six sandwiches. Although the side shows a photo of it being individually packaged, it is hard to notice, and inquiries are sometimes received asking if the sandwiches are individually packaged.

Since October 2023, the design has been changed to make it easier to understand that the sandwiches are individually packaged, stating in large characters that the box contains six individually packaged sandwiches. The position of the sizzle has also been adjusted.

Changes to labeling of proposed serving method on rear side of packaging of *Cheeza with Raw Cheese*



Customer feedback

“I bought *Cheeza with Raw Cheese* for the first time. The rear side of the packaging states that it is delicious when freshly baked in an oven toaster, and I can do so by placing around 10 pieces or so on aluminum foil.

Does this mean the product cannot be eaten without baking first?”

Improvements

The example of baking in an oven toaster printed largely on the rear side of the packaging, coupled with the word “raw” in the product’s name *Cheeza with Raw Cheese* may lead customers to think that the product cannot be eaten without baking first.

Starting from production being sold in February 2024, the words “with a bit of effort” were added, and a note was also added stating that the product can be enjoyed deliciously as it is.

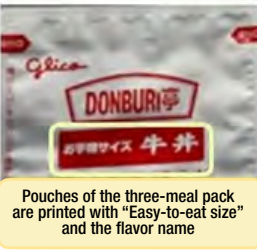
This conveyed the message that the product can be enjoyed deliciously as it is, and the example is a proposed method for making it even more delicious.

Printing the flavor name largely on the pouches of *DONBURI-Tei*

Before improvement



▼ After improvement



Customer feedback

"The printing on the pouch of *DONBURI-Tei* is difficult to understand.

The flavor is printed in katakana using a small font and in an abbreviated form, making it hard to understand."

Improvements

"GYU" for *Gyudon*, "CHUKA" for *Chukadon* and such are printed in katakana in abbreviated form on the surface of the pouches. From customers who threw away the outer boxes and stored the product as pouches as well as elderly customers, feedback was received that they do not know the contents of the pouches.

Starting from the lots produced in late May 2023, we have progressively switched to printing "Gyudon," "Chukadon," and such in large fonts on the surface of the pouches for *DONBURI-Tei*'s box-type *Gyudon* and *Chukadon* and the three-meal pack *Gyudon*, *Chukadon*, and *Oyakodon*. In addition, to allow customers to differentiate between the pouches of the box-type product and the three-meal pack, "Easy-to-eat size" is printed on the pouches of the three-meal pack.

* Not applicable for certain products, such as the box-type *Oyakodon*, *Sukiyakidon*, and *Curry Nanbandon*

Clarifying the allergy labeling, specifically addressing food-line contamination, for *Aisu no Mi*, etc.



Customer feedback

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

Improvements

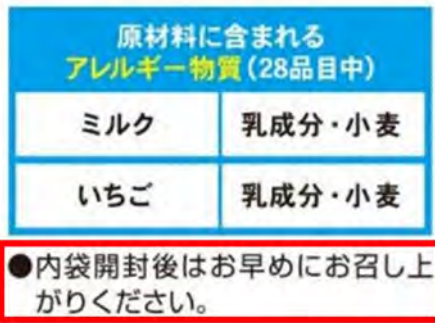
Information about food-line contamination was also provided but was difficult to understand as it was stated separately from the allergen summary label^{*2}.

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.

Changes to labeling 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

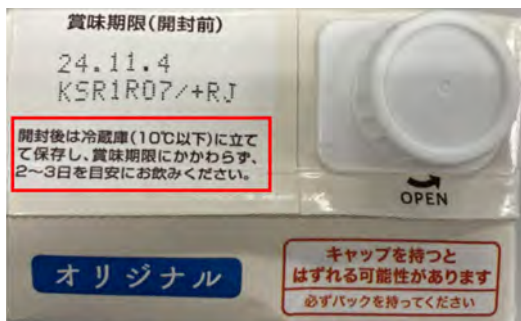
The ingredient label states the use of macadamia nut powder, but macadamia nut is not covered by the allergen summary label as it does not fall within the 28 designated allergens. There were cases where the product was consumed without realizing that it contained macadamia nuts.

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. 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.

Changes to labeling of consumption standard after opening of *Almond Koka 1000 ml*



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

Customer feedback

“The packaging of *Almond Koka 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 Crea’s Stew 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 ZEP PIN 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 ZEP PIN series, we placed the product name and best-before-date for the Premium Juku and Aunt Crea’s series on the right-facing side when viewed from the front design.

Printing of preparation method on aluminum pouches of DONBURI-Tei, Saisaitai, and Beef Curry LEE



Customer feedback

“I threw the outer box away but there are no cooking instructions on the inner aluminum pouch.

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.

Adding of best-before date to the trays of Premium Juku Curry and Premium Juku 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 roux cubes 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 Crea’s Stew 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!”

Changing to an easy-to-understand design for the inner pouch of *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.

Changes to the design of *Pocky Gokuboso*'s inner pouch



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.

Adding of recycling mark to the inner pouch of *Pocky Chocolate*



Customer feedback

“From the recycling mark on the packaging label of *Pocky*, 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

As the gap between the zipper and the tear-off line printed with “OPEN” is small, the customer could not open the zipper smoothly.

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.

Human Capital

Basic Policy on Personnel

The Glico Group believes that people are the largest capital forming the source of corporate development.

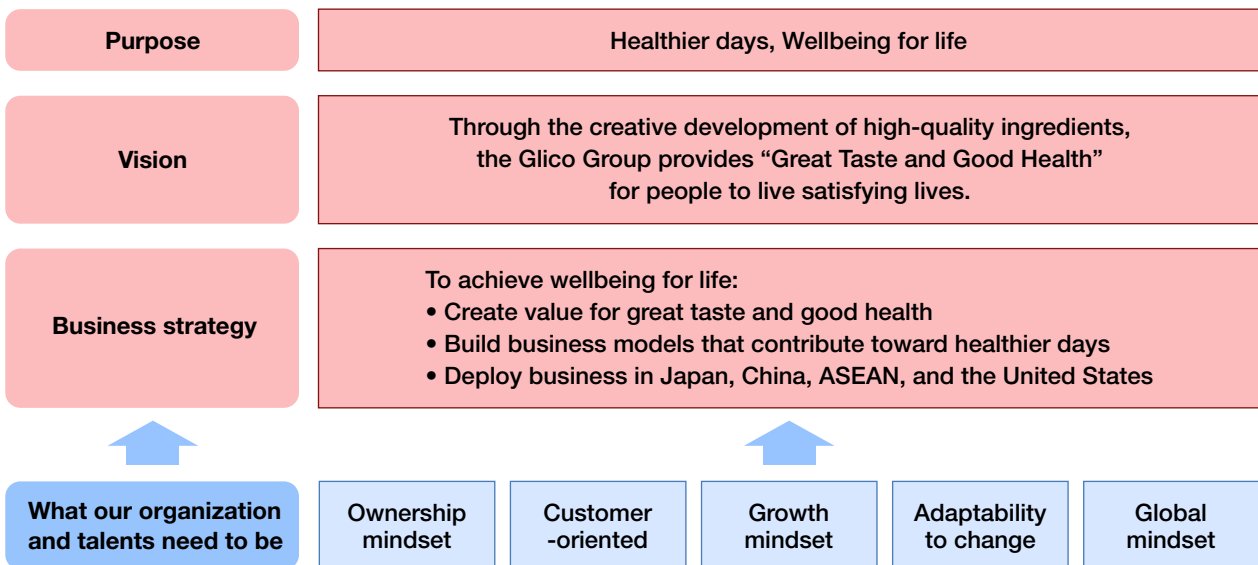
It is important to develop and cultivate the abilities of individuals, so that highly motivated human resources can join forces to promote reform as a team. We also believe that it is key to foster a corporate culture that allows the steady cultivation of human resources who can promote this reform. Furthermore, we undertake diversity and inclusion seriously to address a variety of social issues. We think that we can allow each employee—with their respective individualities spanning a broad range—to apply their capabilities and experiences to play active roles by providing them with the appropriate assignments and opportunities. Based on such an approach, we aim for both sustainable development of the Glico Group and the happiness of our employees by being a company that is supported, trusted, and respected by society.

Overview of Initiatives

The Glico Group's goal has not changed since the time of our founding. We seek to enhance people's health through food and contribute to society through business. Amid changing values and expectation levels regarding deliciousness and health, for the development of the Group, all employees must unite as one to face social issues and continue to create customer-centric value.

As our business strategy to realize our Purpose and Vision (what we aim to deliver), to achieve wellbeing for life, we focus on creating value for great taste and good health, building business models that contribute toward healthier days, and deploying our business in Japan, China, ASEAN, and the United States.

Overview of the Glico Group's initiatives related to human capital



Talent Development Policy and Corporate Environment Development Policy

The five factors required to achieve what our organization and talents need to be are: ownership mindset, customer-oriented, growth mindset, adaptability to change, and global mindset. Together with investing in talent development to develop these abilities, we will also invest in the development of our corporate environment to allow the full application of abilities as well as implement and accelerate various actions according to the issues.

Ownership mindset: All employees have the founder's mindset and act independently

For the Glico Group to achieve our Purpose, it is necessary for every individual to create new value by manifesting creativity and have the desire to contribute toward solving the issues faced by consumers. We undertake the following initiatives to enhance this founder's mindset.

Next-generation innovator development training	We launched this training in 2019 to develop an entrepreneurial mindset and innovation creativity that is globally applicable. Going forward, we will continue to strengthen opportunities for developing such entrepreneurial spirit.
Leadership training	We conduct training for selected employees from three levels. <ul style="list-style-type: none">i. Change Leader's Camp (CLC): We launched this training in 2014 mainly to let division heads and candidates for division heads acquire management literacy and leadership skills. Advanced Change Leaders's Camp (ACLIC) is conducted from the fourth year onward.ii. Leadership Development Camp (LDC): Those in unit manager and similar positions aiming for managerial positions are selected as members for this training.iii. Leadership Learning Camp (LLC): Those in assistant manager and similar positions seeking to become unit managers and such are selected as members for this training.
Internal application system	We introduced this system in 2010 to encourage employees to independently develop their own careers as well as to meet their career needs.
Dispatch under JICA's volunteer program	Since 2016, we have been making use of the private cooperation volunteer program of Japan International Cooperation Agency (JICA) to develop talents with an international sense, and at the same time, offer experiences where participants define their own issues under different cultures and environments and systematically implement sustainable solutions within the limited time frame of one year. Employees are dispatched overseas through internal applications.
Internal proposal system—Smile Box	In 2016, we implemented Smile Box, a system that allows any employee to directly propose to the company ideas that lead to operational improvements. Under this system, a proposed idea is considered by the president, officers, and relevant divisions, after which an answer is given to the proposing employee.

Being customer-oriented: All employees are always customer-centric in their thinking and have the skills that allow them to create and achieve new value

In switching from the current product-centric value flow to a customer-centric value chain, customer-centric thinking has become more important, and we are undertaking the following initiatives.

Design thinking workshops	Since 2019, we have been conducting design thinking workshops to improve our employees' ability to identify and solve issues from our customers' perspective.
Digital skill learning	In 2022, we began to progressively conduct digital skill learning for all employees to enhance digital literacy as well as to acquire and improve abilities to execute work duties in areas such as new value creation and operational transformation using digital technologies.

Growth mindset: All employees have the mindset to put into practice “One Glico” through cooperation

We promote initiatives that aim for an organizational culture where the Glico Group unites as one to deliver results based on all employees understanding and identifying with our Purpose and Vision.

Role grade system	The previous job qualification system was abolished for management class positions in 2018 and general occupation positions in 2022, shifting to a role grade system that defines grades based on the scale of roles.
Independent competency development	In parallel, skill stages were introduced for the purpose of systematic competency development. We established them as a system to clarify the skills and knowledge required for each grade, thereby allowing each employee to independently work on their own growth under the support of their superiors.
Mid-career hires	We are promoting the securing of talents from outside the Glico Group as a measure to strengthen areas—such as expertise, experience, knowledge, and team problem-solving skills—necessary for our management strategy.

Adaptability to change: Always be sensitive to changes in the market and the environment, and response quickly while accurately understanding the actual situation and reality

An agile organization that discerns social trends and moves quickly is essential for sustainable development. We ensure that all employees are sensitive in perceiving changes in needs and technological trends in their daily lives, work on developing their decision-making skills that turns such insights into business opportunities and deliver results, and enhance their organizational skills. We seek to develop our business through increasing the agility of the Glico Group as a whole and decision making that is precise and fast.

Establishment of divisional goals	We establish divisional goals that lead to agile organizational activities.
Competency development	We provide opportunities for training and practice in strategy formulation as opportunities for competency development of individuals.

Global mindset: All employees can think about the business strategy from a global perspective and accept different opinions and values without treating them as alien

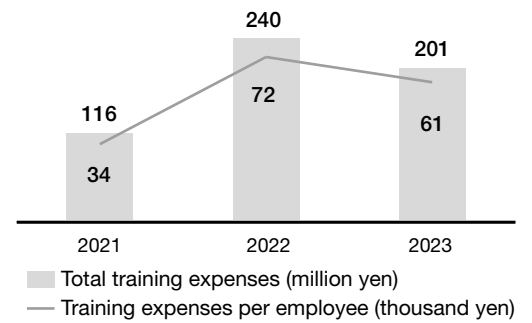
For active entry into overseas markets, it is essential that all employees think with a global perspective. We are promoting efforts to secure talents in parallel with the development of global leaders and the establishment of environments that make it easier for employees to play active roles.

New graduate hires outside Japan	In 2007, we started overseas recruitment for the purpose of global leader development through recruiting students from around the world with a variety of skills. We participate in recruitment events and campus recruiting overseas.
Introduction of global brand management system	We have established a dedicated organization that drives our concept for product development and marketing based on an assumption of overseas deployment.
Promotion of diversity and inclusion (D&I)	We see our efforts in D&I as initiatives that generate innovation, raise the level of decision making in our organizational management, and improve our organizational management capabilities. We think that it is extremely important to create an environment that allows diverse talents—regardless of nationality, gender, career, and disabilities—to unite as one toward a common goal from positions appropriate to each person, and we are undertaking various initiatives based on this thinking. >> Promotion of Diversity & Inclusion

Investment in Talent Development

We are actively investing in talent development. The total training expenses for Ezaki Glico and consolidated subsidiaries in Japan increased to 201 million yen, which is 1.73 times that of 2021, reaching 61,000 yen per employee.

Trend of total training expenses and training expenses per employee



Wellness Promotion

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 D&I, to carry out systematic wellness promotion from a medium- to long-term perspective.

[>> Wellness Promotion](#)

 [Human capital](#) PDF (approximately 2.99MB)

Promotion of Diversity & Inclusion

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 value a stance of collaborating with external parties and organizations that share the same aspirations to work on solving social issues while expanding the circle of activities.

Initiatives

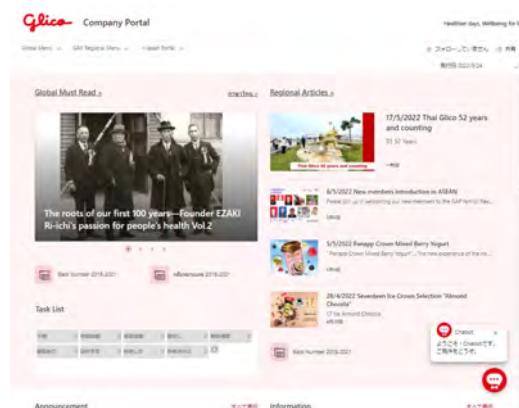
Diversity And Inclusion Efforts

We do not only seek to be an organization where diverse employees feel that they are equal members of the organization. We also seek to be an organization that can continue to generate results with social impact through constructive discussions, positive and friendly rivalry, and bringing about innovation while cooperating with stakeholders.

To be an organization that continues to spontaneously generate inclusive actions making use of diversity, we are working on the development of such an organization while repeatedly implementing an approach that encourages awareness and actions to establish a culture. In particular, inclusion is a concept that is difficult to understand. We start from the acquisition of basic knowledge, then work to encourage action and allow entrenchment as an organizational culture. We do so by defining specific themes and selecting contents that are easy to understand and allow smooth transition to action to develop personal and organizational mindsets, bring about behavioral changes in daily decision making, work, and communication, and lead to transformation at each organization.

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 events to raise internal D&I awareness

We have been organizing D&I events since 2021 to raise internal awareness across the Glico Group. Each year, we set a theme to provide support to employees in learning skills for selecting and practicing inclusive language and behavior and encouraging them to take action.



D&I Event 2023

FY	Phase	Theme	Scope
FY2021	Awareness	Unconscious bias (preconceptions and misunderstandings)	Learn basic D&I knowledge, such as what inclusion is and how to deal with biases
FY2022	Action	Inclusive communications	Learn personal skills for inclusion, such as selecting inclusive language and behavior, and support the behavioral changes of each individual
FY2023	Action	Inclusive actions	Learn positive examples of initiatives, both within and outside the Glico Group, and determine specific inclusive actions through discussions by diverse participants

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, to proactively promote women to positions as officers and managers, we implement initiatives 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

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 approaching key milestones in life, 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.



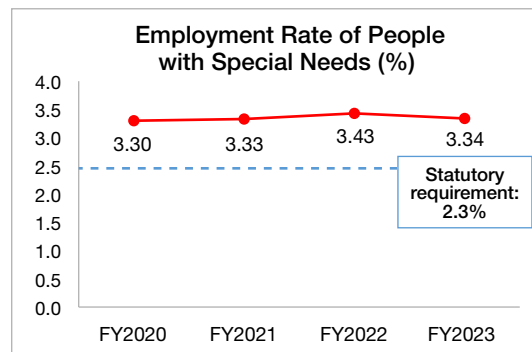
During the training

Re-Employment Initiative

The previous system of re-employment for employees after their mandatory retirement introduced at Ezaki Glico and Glico Manufacturing Japan was revised into a senior employee system in April 2021 as a response to the obligation to make efforts arising from legal revisions in that same month. The system allows employment to be extended up to the age of 70 years. This revision allows employees to continue contributing to financial performance regardless of age. We also adopted a “comeback system” for employees who have previously left the company, and currently, such employees who have returned to us are playing active roles.

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.



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. 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. Since 2020, as an effort to develop jobs making use of skills of these employees, we introduced the packing of products being sold online and the acceptance of various operational requests from employees who participated in workplace visits to Smile Factory. We are promoting initiatives to expand opportunities for people to play active roles according to their skills.

In addition, to meet visitor's diverse needs, employees who also have hearing difficulties and understand the needs of hard-of-hearing visitors take on the role of attending when they visit Glico Museum. Those employees are also in charge of management and operation of Smile Factory. This allows such visitors to be guided directly in a common language—sign language—without the need for interpreters, thereby allowing them to feel even closer to Glico. These are the ways in which we are increasing opportunities for people to play active roles making use of their skills.



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 LGBTQ employees and other sexual minorities (“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.

Our human rights policy clearly states that the Glico Group “does not discriminate any person based on... gender, sexual orientation, gender identity, gender expression...” 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 LGBTQ+ employees and common law marriages in this way, we are responding to increasingly diverse ways of thinking and family structures.

Ezaki Glico received a gold rating—consecutively for two years—at PRIDE Index 2023, which evaluates initiatives related to LGBTQ+ employees undertaken by companies and groups. Besides Ezaki Glico, the other companies in the Glico Group that received a gold rating were Glico Channel Create and Glico Nutrition—who both received this rating consecutively for two years—as well as Glico Manufacturing Japan, which received this rating for the first time.

 [LGBTQ+ Initiatives Awarded Gold Rating at PRIDE Index Consecutively for Two Years \(in Japanese\)](#) PDF (approximately 537 kB)



Co-Sodate Project

Glico promotes our Co-Sodate (co-parenting) Project as a project for solving the social issue of childcare.

[>> Co-Sodate Project \(in Japanese\)](#)

[>> Creating a Positive Work Environment](#)

Creating a Positive Work Environment

Approach

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.

Initiatives

Glico Co-Sodate (co-parenting) Project

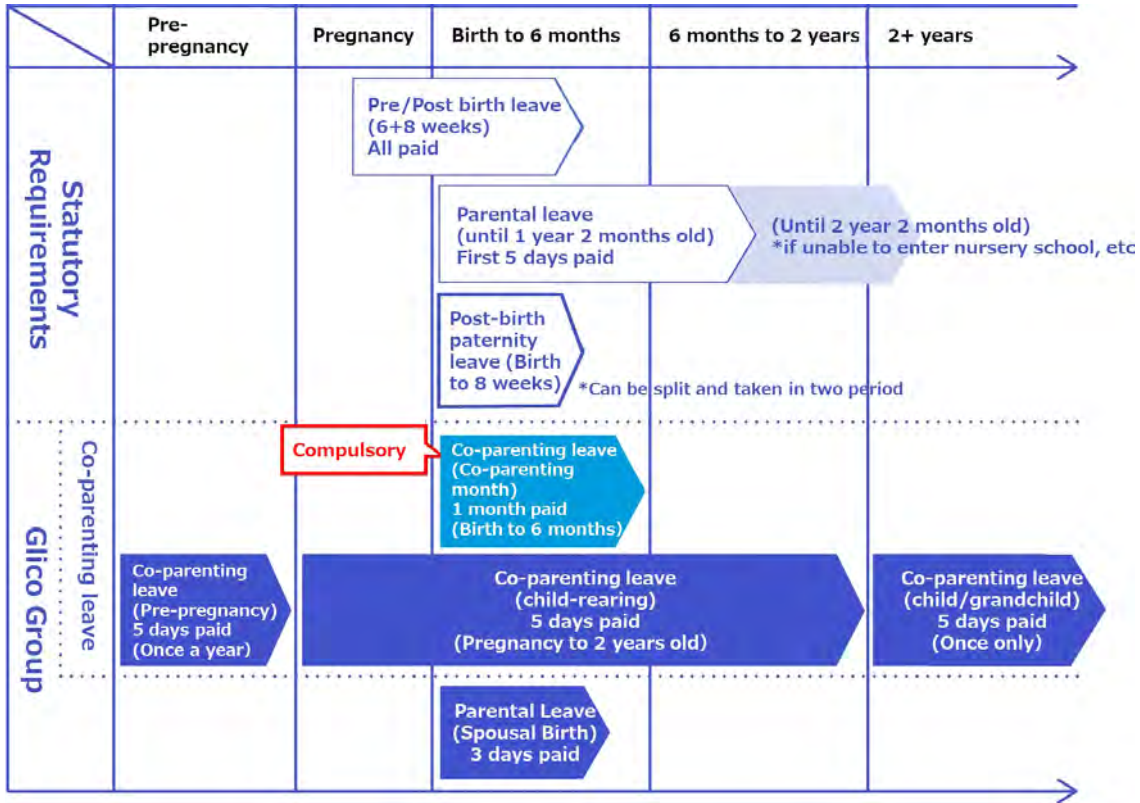
Glico's aim is to create a corporate culture enabling participation by diverse human resources, where employees can design their own lives, with our Co-Sodate (co-parenting) childcare approach as one starting point. The childcare approach advocated by the Glico Group aims to foster family communication and infant care through a cooperative effort by both mothers and fathers together with the people around them.

As a foundation for co-parenting, we are promoting our Co-Sodate Project, which is a project for solving the social issue of childcare. The Co-Sodate Project focuses on a child's development from the time of pregnancy and the childcare environment as the foundations for developing children's minds and bodies. Co-parenting is viewed as the form of a family that starts from the moment a new life is conceived. We promote this project based on a desire to create a world in which the minds and bodies of children grow through lively communication and skillful cooperation in the co-parenting of children especially by their parents, who are the people closest to them.



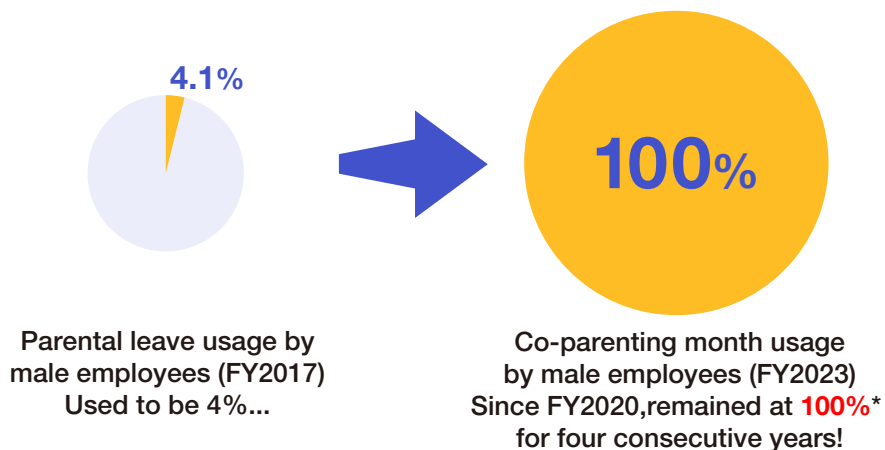
“Co-parenting leave”

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 of Parental Leave, etc. and Leave for Childcare (Including Co-Parenting Month) (Ezaki Glico)

	Male	Female
FY2020	57	22
FY2021	43	26
FY2022	31	18
FY2023	34	25



* After the introduction of Glico's in-house leave system (co-parenting month, for full-time employees) in 2020, percentage of employees applicable for this in-house leave system who has taken parental leave or co-parenting month leave

Support for baby milk purchasing 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
KOBÉ

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.



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.



Presentation at UN Global Compact Leaders Summit 2021

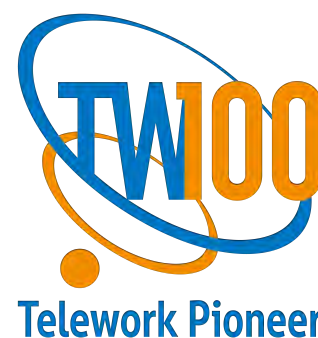
The UN Global Compact Leaders Summit 2021 was an online summit where the UN Secretary-General and leaders from around the world met to discuss how to accelerate the SDGs. The Glico Group became a signatory to the UN Global Compact in 2019, and since that time has worked to increase its contributions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



Programs

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

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.



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.

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)	Percentage of annual paid leave taken
FY2020	127	1852.25	283.9	12.6	68.7%
FY2021	124	1867.75	308.3	13.2	70.9%
FY2022	125	1844.50	313.1	13.76	73.5%
FY2023	126	1867.80	308.0	14.3	75.8%

Other 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"> • Co-parenting month • Co-parenting 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 • Sick or injured childcare leave • 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

Glico Group Wellness Promotion



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 wellness promotion from a medium- to long-term perspective. Through our unique wellness promotion 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 Wellness Promotion 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.

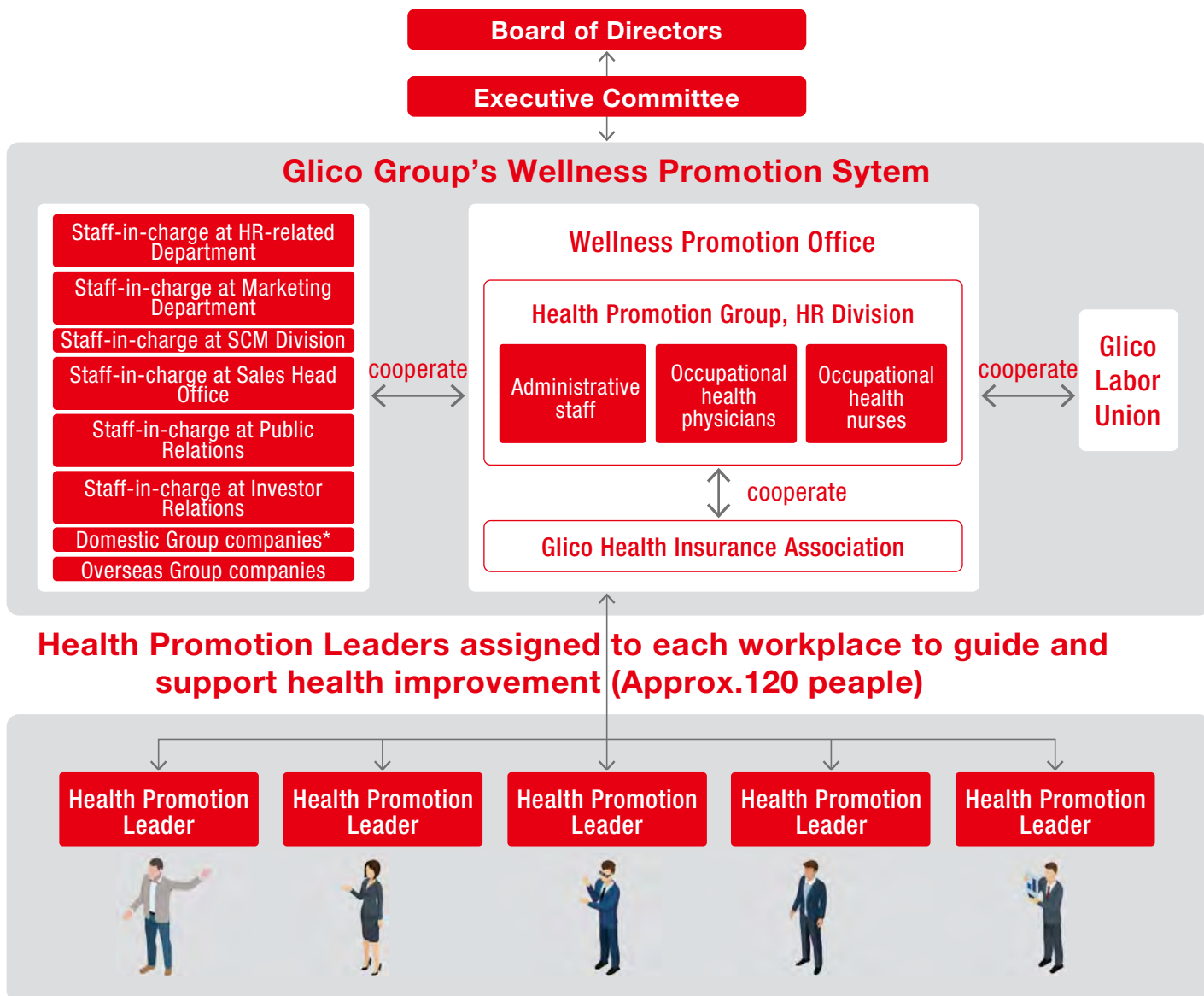
This is made possible when employees themselves strive to lead healthier days, both in mind and body.

Based on this approach, the Glico Group unites as one to promote wellness promotion and work on maintaining and enhancing the health of each employee.

September 1, 2022

Etsuro Ezaki,
Ezaki Glico Co., Ltd. CEO

Wellness Promotion System

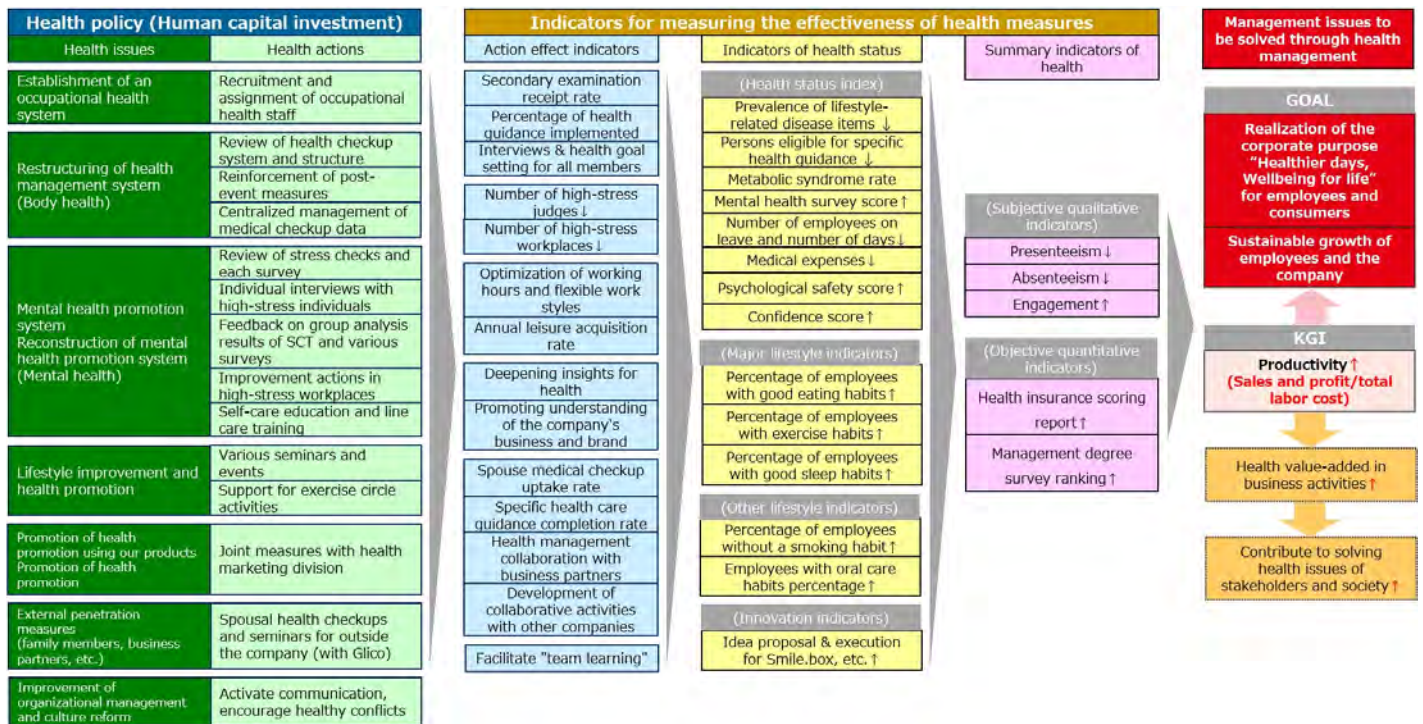


* Glico Manufacturing Japan Co., Ltd., Glico Channel Create, Inc., Glico Nutrition Co., Ltd., Chubu Glico Nutrition Co., Ltd., Kansai Frozen Distribution Co., Ltd., and Tohoku Frozen Distribution Co., Ltd.

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

Wellness promotion strategy map

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 wellness promotion, 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 wellness promotion, 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. We organized our management issues and health indicators based on the Guidelines for Administrative Accounting of Investment in Wellness Promotion to formulate our wellness promotion strategy map and promote wellness promotion.



Specific Initiatives

Internal initiatives

As part of efforts to promote wellness promotion across the group, we created the Glico Wellness Promotion 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 sleep), acquiring necessary knowledge, practicing healthy living and making it a habit.


We aim for a state where our employees themselves realize our Purpose of “Healthier days, Wellbeing for life.”

Measures to improve health literacy

Based on this policy, a health theme common across the entire Glico Group is set each month. A monthly health newsletter following this theme is developed by public health nurses and published to provide health information. Furthermore, hygiene lectures by the health committees, standalone events, and other such activities are also synchronized with the monthly health theme to strengthen interest Groupwide. We also implement measures to improve health literacy aimed at letting employees acquire necessary knowledge, such as various types of seminars and seminars to increase understanding of health issues specific to female employees.

Activities in FY2023

In the eight-week online yoga class and as part of the health skill courses for all employees, we included content to understand our health-related business and products.

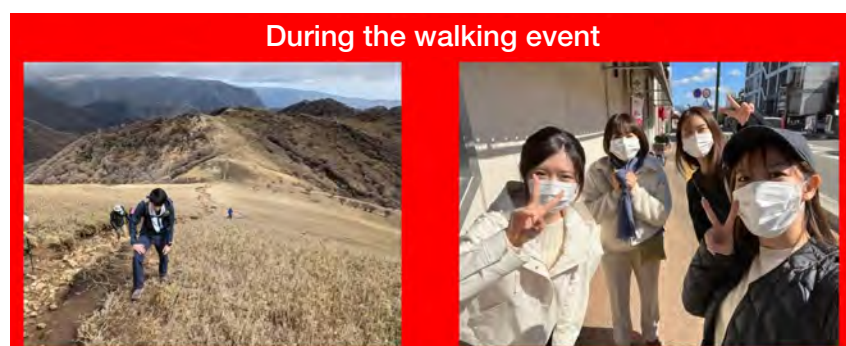
List of monthly health themes	Online yoga class
January: Losing weight (proper weight, etc.)	
February: Hay fever	
March: Mental health (communication skills)	
April: (purpose and scope of health checks) + information about occupational health physicians	
May: Quitting smoking and dental hygiene	
May(ad-hoc): Understanding health check results (+ information about occupational health physicians)	
June: Heat disease	
July: Food poisoning	
August: Blood pressure	
September: Cholesterol	
October: Diabetes	
November: Alcohol consumption	
December: Stiff shoulders, backaches, and tired eyes	

Encouragement of health improvement efforts by employees

To enable our employees to practice and make a habit of healthy living, we 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. In addition, we give incentive points to employees who are active in health improvement efforts and implemented a system that recognizes those with the highest total points each year. 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. To further improve health literacy, we also subsidize those seeking Healthcare Master qualifications. 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.

Activities in FY2023

We held a Group-wide walking event and a lifestyle habit improvement event. In the walking event, three to eight participants form a team with the target of walking at least 8,000 steps on average per day during the period of the event. The results significantly exceeded its goal, with an average of 8,539 steps per day and 53.8% of the teams achieving their targets.



Expansion of occupational health system

Since 2023, we have been expanding and improving our occupational health system (a system with three full-time occupational health physicians and 10 public health nurses) and promoting activities to prevent issues and maintain health, with internal experts following up closely with each employee to provide expert support. Through this effort, we are enhancing our ability to recommend additional screenings, take follow-up actions after health checks, respond to employees working long hours, and support employees returning to work after leave. Health consultation rooms stationed full-time with occupational health physicians and public health nurses have been established at our head office (Osaka City, Osaka Prefecture) and Shinagawa Office (Minato-ku, Tokyo). Employees can easily visit these consultation rooms without hesitation to consult about physical and mental health issues. We have also established a dedicated email hotline handled by public health nurses to ensure a route that allows consultations on the presumption of anonymity by anyone at any time. Through these channels, employees can consult about their own conditions and work problems as well as matters relating to their colleagues and families (childcare and nursing care).

Measures for productivity and engagement improvement and enhancement

We conduct our own unique in-house survey focusing on psychological safety and trust to understand the state of health and presenteeism within the organization that are not visible in medical expenses and other quantitative data. The survey results are analyzed together with the group analysis results of statutory stress checks. Actions for improving workplace culture and management are formulated for each workplace and put through the PDCA cycle to enhance mutual trust and engagement and nurture an organizational culture that easily gives rise to innovation.

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.

Banning of smoking during working hours and provision of quit smoking support

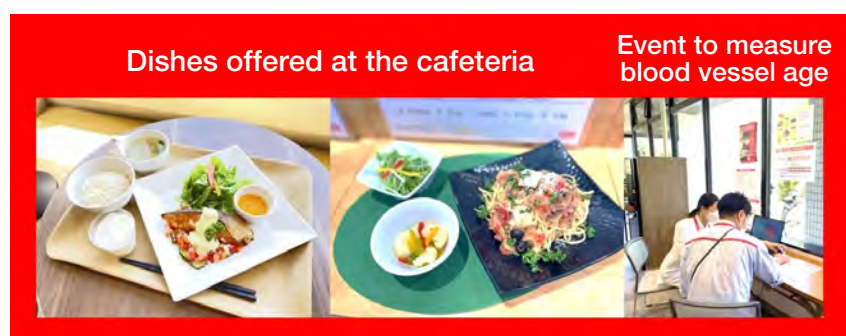
Smoking is understood to increase the risk of a range of diseases, including cardiovascular disease, respiratory disease, cancer, and periodontal disease. Due to concerns about additional risks of second-hand smoke (passive smoking) and third-hand smoke to non-smokers, including employees' families, other workers and business partners, we stated a ban on smoking during working hours in our employment rules from January 2019. At the same time, we are holding quit smoking seminars about the risks of smoking and the benefits of not smoking as well as subsidizing the costs of quit smoking clinics for employees who successfully quit smoking. We are also working to help employees quit smoking by using a team system where “supporters” provide full support to the “challengers” trying to quit smoking.

Offering menus that improve health and performance

The head office's cafeteria is operated under the concept of constantly improving daily performance (productivity). With menus that consider the prevention of lifestyle diseases and through the use of local vegetables produced for local consumption and soup stock that does not use artificial flavorings, employees can enjoy five types of set meals—based on themes of carbohydrates, concentration, stress, fatigue, and less salt—and curry that change daily. We also provide dishes made using Glico products and conduct health support events to help improve health, which serves as the foundation for better performance. To spread our healthy and productivity management outside Glico, we have launched SUNAO Delivery, an office lunch delivery service for corporate customers to provide boxed meals made at our head office's cafeteria.

Activities in FY2023

We held an event to measure blood vessel age at our head office's cafeteria with 347 participants. Besides advice offered by nutritionists, a menu rich in dietary fiber was offered during the period of the event.



Dishes offered at the cafeteria

Event to measure blood vessel age

Initiatives 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.



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Activities in FY2023

- 9th seminar on May 22, 2023: “Health seminar to prepare for the unexpected—Health and medicine” jointly organized by pharmacist NAKAO Yusuke, AIN HOLDINGS INC. and Wellness Innovation Business Division, Ezaki Glico Co., Ltd.
- 10th seminar on October 19, 2023: “Tips on anti-aging by Dr. Takase for busy people” by dermatologist Dr. TAKASE Akiko, Executive Director, WOVE Clinic Nakameguro

We also conduct health seminars for learning the basic points about improving health as support for wellness promotion 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, wellness promotion, 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.

Recognition by Society

Recognized for the fourth consecutive year as a White 500 Enterprise (Large Enterprise Category) in the 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program

Embarking on full-scale promotion of wellness promotion in 2018, our efforts were recognized, and Ezaki Glico has been certified for the fourth consecutive year since 2021 and Glico Manufacturing Japan for the third consecutive year since 2022 as White 500 enterprises in the 2024 Certified KENKO Investment for Health Outstanding Organizations Recognition Program jointly implemented by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.



Recognized for the fourth consecutive year as a Sports Yell Company

Besides regularly organizing walking events and online yoga classes, we also provide support for the activities of circles that carry out at least one hour of exercise each week. Our efforts were recognized, and Ezaki Glico has been certified for the fourth consecutive year since 2021 as a Sports Yell Company. In addition, Group companies Glico Manufacturing Japan, Glico Channel Create, Glico Nutrition, Chubu Glico Nutrition, Tohoku Frozen Distribution, and Kansai Frozen Distribution were also certified by the Japan Sports Agency.



KPIs and Intermediate Indicators in Health Management

* We organize our management issues and health indicators based on the Guidelines for Administrative Accounting of Investment in Wellness Promotion.

		October 2020	October 2021	October 2022	October 2023	
Outcome (final indicator)	Subjective indicator	Presenteeism (%) ^{*1}	24.0	25.0	25.0	24.1
		Absenteeism (days) ^{*2}	1.41	1.35	0.89	1.24
		Engagement (points) ^{*3}	50	51	50	50
	Objective indicator	Ranking in survey on degree of wellness promotion (rank)	401-500	101-150	1-50	101-150
		Average number of steps (steps)	5,417	5,094	5,346	6,587
		Ratio of employees who smoke (%)	21	19	20	19
		Ratio of employees who took stress checks (%)	85.9	82.5	85.5	86.6
		Ratio of employees assessed with high stress (%)	13.3	12.7	12.7	12.4
		ENPS (%) ^{*4}	23.7	22.4	19.7	18.7
Output (Intermediate Indicator)	DAU (%) ^{*5}	38.6	37.0	37.0	31.8	
	Walking event participation rate (%)	35.2	39.8	35.8	33.3	

* Figures for the Glico Group as a whole

*1 Calculated using the Single-Item Presenteeism Question (SPQ) from the University of Tokyo

*2 Calculated by: (days of accumulated leave used + days of absence from work + days of leave from work (including days of special leave from work)) / total number of employees

*3 Calculated using a survey based on the Utrecht Work Engagement Scale

*4 Ratio of people who answered "I think so strongly" and "I think so" for the question "Will you recommend your company to your friends and acquaintances?"

*5 Ratio of people who use the healthcare app introduced by Glico at least once per day

Approach

Glico Group Safety and Health Policy

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 the factories of Glico Manufacturing Japan are working on these issues as joint initiatives of Glico Group production departments.

Initiatives

Ensuring 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 reviewed and enhanced risk assessment and safety inspection being conducted during the introduction of new equipment to factories.

Development of key persons for safety

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.

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. From FY2020 to FY2023, 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.

Exercise awareness campaign to maintain and improve worker mobility

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.

Approach

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, gender identity, gender expression, 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.

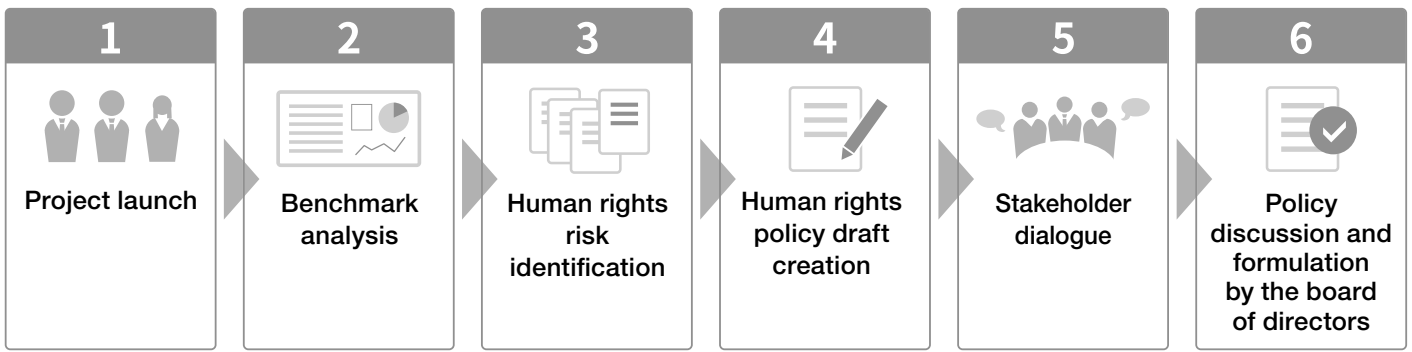
6. Monitoring and reporting

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.

Established in July 2020
Revised in September 2023



(1) Project launch

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.

Initiatives

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. 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.

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.

Ingredient and raw material procurement that considers human rights

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, under which we promote procurement that considers human rights.

Approach

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 the Glico Group Fair Trade Basic Policy. We put that policy into effect in April 2019.

Glico Group 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 that we will, in conjunction with suppliers, engage in procurement activities taking into consideration the Ten Principles in the four areas (i.e., human rights, labor, environment and anti-corruption) designated in the United Nations Global Compact and such activities will be conducted with high ethical standards of legal compliance, fairness and transparency so that we can provide safe and reassuring products and services to customers.

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 any types of corruption, including, without limitation, 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 lead to elimination of any violations of human rights, including, without limitation, forced labor, child labor and any types of discrimination.
3. We will comply with the Glico Group Environmental Policy and conduct procurement activities that are environmentally friendly and intended to achieve 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 procurement goods (including, without limitation, their quality) and making an overall evaluation on delivery lead time, stable supply and other factors. We will provide suppliers with fair and equitable opportunities for entry and we appreciate diversity throughout the supply chain.
6. We will keep in confidence confidential information of suppliers obtained through procurement transactions and will not infringe on intellectual property rights and other rights of third parties.

Senior General Manager SCM Department
Ezaki Glico Co., Ltd.

Established in December 2020
Revised in January 2023

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 90001, HACCP, etc.

Established in December 2020

Initiatives

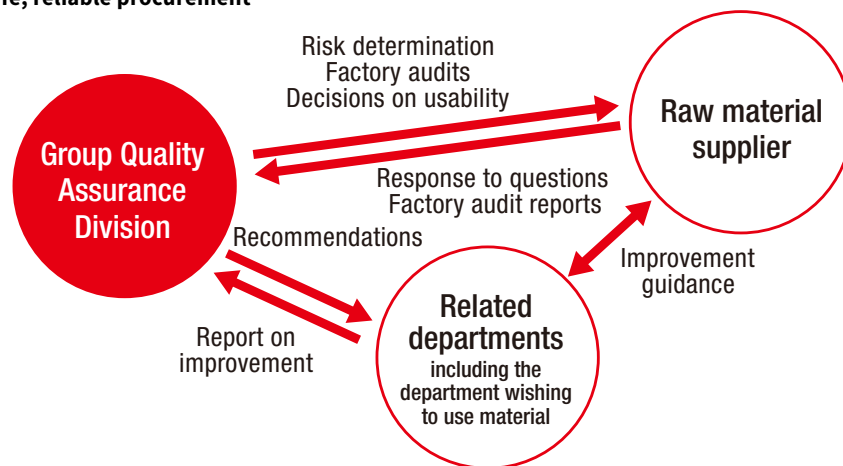
Commitment to Fair and Equitable Trade

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.

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. Furthermore, we have been progressively switching to QR codes since April 2024 and will promote initiatives toward improving traceability.

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.

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 based on our Fair Trade Basic Policy, we have formulated appropriate rules for the prevention of corruption at Glico Group companies within Japan and overseas, and conduct employee training regarding these rules.

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 forest 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 considers safety and reliability but also the environment and human rights.

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 redress child labor**

Continuing from 2022, we collaborated with the nonprofit organization Action against Child Exploitation (ACE) to undertake the following efforts in Ghana's Assin Fosu District.

1. Based on the results of the basic survey conducted for 15 villages in 2022, in the four villages that were assessed to be particularly high in the risk of child labor, we worked on building mechanisms to prevent and redress child labor based on the government of Ghana's guidelines for Child Labor Free Zones (CLFZs). Together with conducting workshops to raise awareness and registering households in each village, we established Community Child Protection Committees (CCPCs) comprising the residents of the villages and carried out monitoring. Through these activities, we identified 251 children at risk, including the risk of child labor, and provided free school supplies and other corrective measures to some of these children from poor families.
2. We conducted seminars for officials from the local governments (districts) overseeing the applicable villages, cacao procurement companies, NGOs, and other bodies to share experiences and enhance capabilities. At the same time, we conducted discussions with them toward cooperation. We also sought to strengthen collaboration systems for community support with the districts' social welfare and education agencies.



Children who received school supplies under this project

● **(2) Support for cacao producers and communities**

Based on our commitment, we collaborated with Tachibana & Co., Ltd. in 2023 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); repair of wells and pumps at producers' communities (two units at one village)
2. Provision of agricultural equipment and training to producers (70 sets of electric pesticide sprayers and protective gear to 12 villages)
3. Additional amount to the purchase prices from producers

● **(3) Collaboration with industry efforts**

We embarked on efforts to collaborate with the activities of the industry in 2022.

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



Awareness-raising activities in communities; A well that was provided to communities

Efforts in procurement of coffee beans

In consideration of environmental and social sustainability in supply chains at areas producing coffee beans, we procure from designated farms and producer organizations that have been certified by third parties.

1. At farms in Brazil, we are conducting programs to convey the importance of nature through education regarding the natural environment and activities to protect nature.
2. At farms in Vietnam, we are planting shade trees (high trees to block direct sunlight) to mitigate damage to coffee plants. This prevents the soil from drying and helps to reduce the usage of irrigation water.



Tree-planting project in Brazil

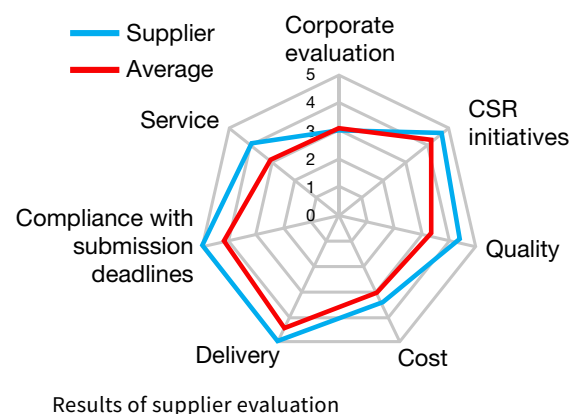
Efforts in procurement of palm oil

We joined the Roundtable on Sustainable Palm Oil (RSPO) in 2019 and pursue the procurement of palm oil with RSPO certification. We have already started using RSPO-certified palm oil (Mass Balance model) for Pocky and Bisco. We plan to use such palm oil in all products being produced by the Glico Group by the end of 2025.

Evaluation of 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.



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.

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, through dialogue with the residents and governments of the localities of our business sites, we seek to properly understand their issues and needs and solve the issues faced by local communities through supporting social activities in the areas of economy, social welfare, and culture as well as through educational support by way of our wealth of expertise and technology.

Contribution to people's health

Activities to promote health

As a food business pursuing our Purpose of “Healthier days, Wellbeing for life,” we at Glico undertake a variety of activities to promote health, utilizing the wealth of resources at our disposal and expertise as well.

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 through sports

Kids' sports classes by 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 golf classes for children taught by professional golf player NISHI Tomoko to let children of local communities learn the joy of golf (sports) and support the development of children.



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 2023, elimination rounds were held in 24 locations across Japan, with 1,503 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 8 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 for children with excellent results in past Takuma Kids Kart Academy to support them in their first steps toward becoming racing drivers.



During Takuma Kids Kart Academy

Glico Challenge Tour supporting Shimizu S-Pulse's academies

Since 2014, we have been supporting the development of soccer players at academies operated by the soccer team Shimizu S-Pulse through an overseas tour program called Glico Challenge Tour. We helped children improve their skills and work toward playing at the global level through matches with world-class teams at the locations of overseas tours.

In 2023, 23 U-14 players participated in the tour to Barcelona, Spain, where they played against prestigious clubs such as FC Barcelona and Real Madrid CF at Glico Cup 2023. Experiencing world-class skills and different cultures helped the players in their learning and growth.



S-Pulse's junior youth players who participated in Glico Cup 2023

Glico Jump Up Challenge supporting the academy of Hisamitsu Springs

Sharing in the desire of Springs Academy—operated by the volleyball team Hisamitsu Springs—to support the healthy growth of children, we have been conducting a volleyball class called “Glico Jump Up Challenge” since 2021. On the day of the event, we implemented a special challenge menu aimed at developing the children’s communication skills in addition to their volleyball skills. We also worked 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.

Educational Support

Glico’s unique experiential educational support

Our founder, EZAKI Ri-ichi, firmly believed that, “The two most important missions for children are eating and playing.” With this in mind, the Glico Group is involved in various educational support initiatives, utilizing the many resources we possess.

Glicopia factory tour facilities

We operate 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

Providing authentic chocolatier experience at KidZania Koshien

At KidZania Koshien, a children's job and social experience facility designed and operated by KCJ GROUP INC., Ezaki Glico opened a pavilion called Chocolate Factory as an official sponsor. This pavilion is an activity conceptualized by Ezaki Glico—which continues to pursue delicious chocolate—and KCJ GROUP. Through learning the entire process for making chocolate and being a chocolatier in creating Pièce Montée chocolate with their free ideas, we provide children with an opportunity to experience the profoundness of chocolate.



GLICODE® programming educational support

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.

Besides the camera mode that uses the camera to read the arranged Pocky sticks, we added a touch mode for moving Pocky sticks within the app in October 2023 so that the app can also be used at places where the direct handling of Pocky is difficult due to hygiene reasons.

Furthermore, we released a Chromebook version of the app in December 2023 so that it can be used on Chromebooks that are widely introduced in elementary schools nationwide in Japan.



Developing The Next Generation Through Career Education

We conduct a variety of programs at elementary schools and after-school care programs in Japan. Through such activities, we raise interest in environmental issues and career development, playing a role in nurturing next-generation leaders from each locality.



Education program for elementary school students

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 employee teaching a lesson on the environment

Education program for junior high and high school students

We also conduct lessons and such based on the needs of certain 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.



Community Support

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
- Participated in the music event Kaze to Rock Imonikai 2023 held at Fukushima Prefecture’s Shirakawa City—one of the cities struck by the Great East Japan Earthquake—in September 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

Partnership agreements with local governments

We sign comprehensive partnership agreements with local governments as a framework for collaboration and cooperation toward solving issues faced by local communities. In 2023, we signed a comprehensive partnership agreement with Saga Prefecture, and we are advancing activities contributing to the region, including the use of human and material resources of both parties, across six fields: health promotion, childcare and support for children, disaster prevention, regional development, sports and culture, and other activities to invigorate local communities and improve services for the prefecture's residents.

■ Local governments which have signed partnerships with the Glico Group

Kobe City (Hyogo Prefecture); Kitamoto City (Saitama Prefecture); Shibuya Ward (Tokyo); Miyake Town (Nara Prefecture); Osaka Prefecture; Neyagawa City (Osaka Prefecture); Ikaruga Town (Nara Prefecture); Iinan Town (Shimane Prefecture); Konan City (Shiga Prefecture); Saga Prefecture; Izumisano City (Osaka Prefecture); Ono Town (Gifu Prefecture)
(in order of date of signing of agreements, as of March 2024)

“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 conducted while communicating with colleagues around company offices.



Cleanup activities conducted around 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. Employees working near disaster-affected areas use this system to participate in volunteer activities.

Disaster preparedness training with local communities

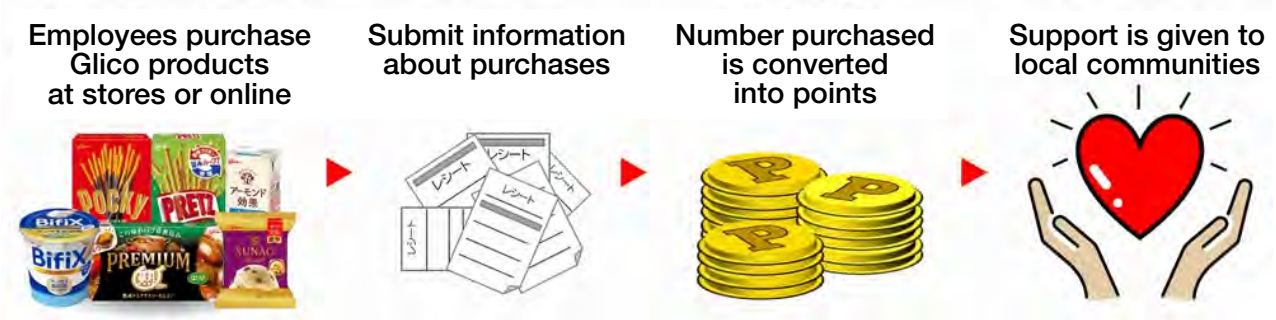
We believe that ensuring the safety of local communities through collaborative activities is a key part of our social contribution efforts. Our head office is located in Osaka City's Nishiyodogawa Ward, an area at sea level, where huge damage is expected should the banks of nearby rivers burst. To ensure smooth response in case of an emergency, the Glico Group takes part in the ward's wide-area disaster preparedness training and supports the evacuation training of nearby childcare centers, among other things.



Children and staff from a nearby childcare center during an evacuation training making use of the gymnasium within the Glico Group head office site

Buy Glico group support contributing to the solving of social issues

Since 1980, the Glico Group in Japan 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 award program's points for the number of Glico products purchased and convert them as funds to conduct community development activities. In FY2022, we started supporting organizations that are working on solving social issues under the themes of health, food, and children. Going forward, we will continue to conduct these support activities.



Conducting dietary education program for children in Malaysia

Glico Asia Pacific (GAP) overseas our business in the ASEAN region and actively undertakes CSR activities contributing to local communities in ASEAN countries. One of the companies under GAP's umbrella is Glico Malaysia (GMY), which planned and conducted an educational program to let children acquire healthy dietary habits and live active lifestyles in a dazzlingly convenient modern society. This program comprises a cooking session with an educational session to allow children from children's homes to participate while having fun. During the cooking session, GMY's staff and the children used Glico products to make healthy boxed meals and simple desserts. We hope that children acquire knowledge and skills about dietary and lifestyle habits through this program, and that it will lead to the development of even healthier future generations.



CSR activity for children conducted in Malaysia

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. It held lessons on Pucchin Pudding, offered online factory tours, a manufacturing experience, and food tasting. 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.



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

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.

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

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

Approach

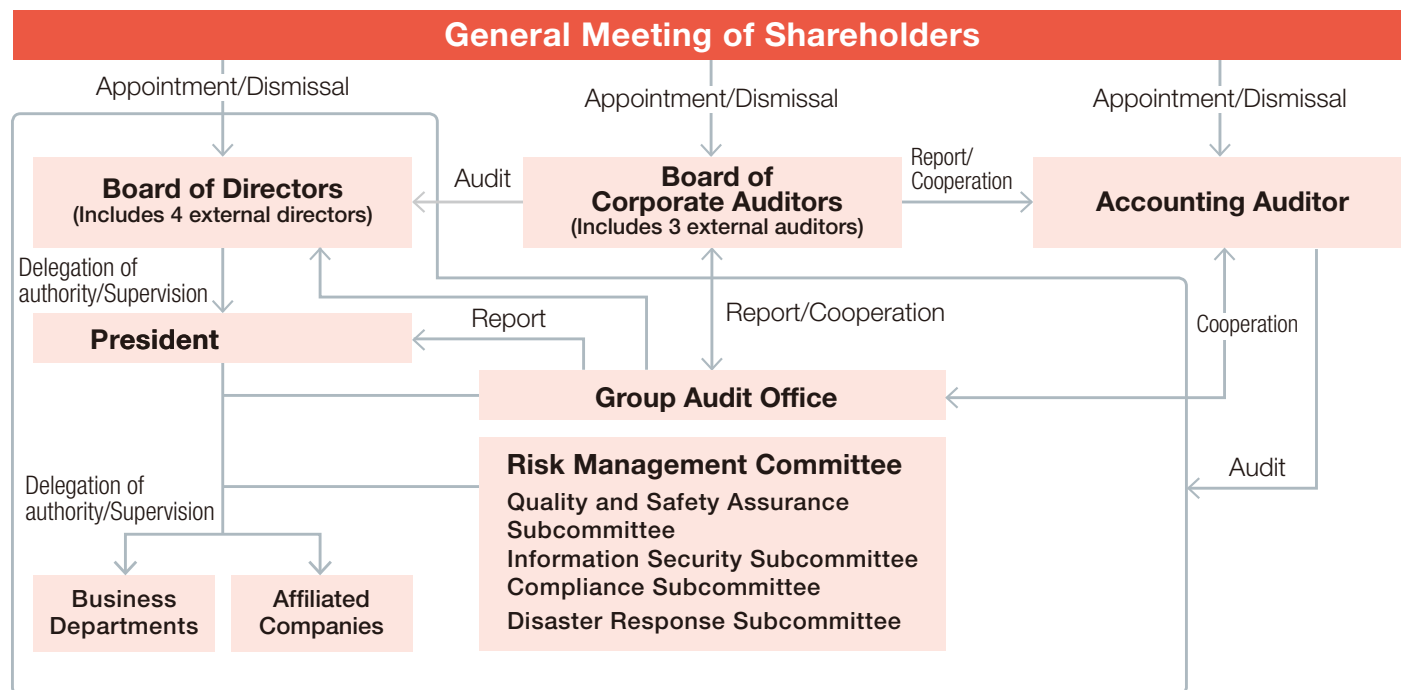
Based on our corporate philosophy, the Glico Group strives for sustainable growth, medium- to long-term enhancement of corporate value, and increased transparency and efficiency in management. As such, we are working on the continuous enhancement of our corporate governance system based on the following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

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, 2023), 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, 2023). The corporate auditors actively participate in company meetings, such as those of the Board of Directors, and conduct audits related to the directors' execution of business.

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 Crisis Management Committee. 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 Chairman, President, Board of Directors, and Board of Corporate Auditors in addition to reporting the results to the officers in charge of the respective departments 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 “Crisis 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 “Crisis Management Committee” and establish a system that prevents the occurrence of major legal violations in the execution of duties.

(4) The Company shall establish an internal auditing department called the “Group Audit Office” as an organization over which the Chairman has direct control. The Group Audit Office shall ensure the effectiveness and validity of internal control of the Company and its Group companies, and shall report to the Chairman, President, Board of Directors, and Board of Corporate Auditors.

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," "Crisis 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, 2023, the Glico Group works with four external directors and three external a, 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 Crisis 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 Crisis 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 Crisis Management Committee, to deal with any serious emergencies.

Compliance

Approach

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.

Initiatives

The Compliance Subcommittee, which is one of the subcommittees of the Crisis 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.

Efforts to prevent corruption

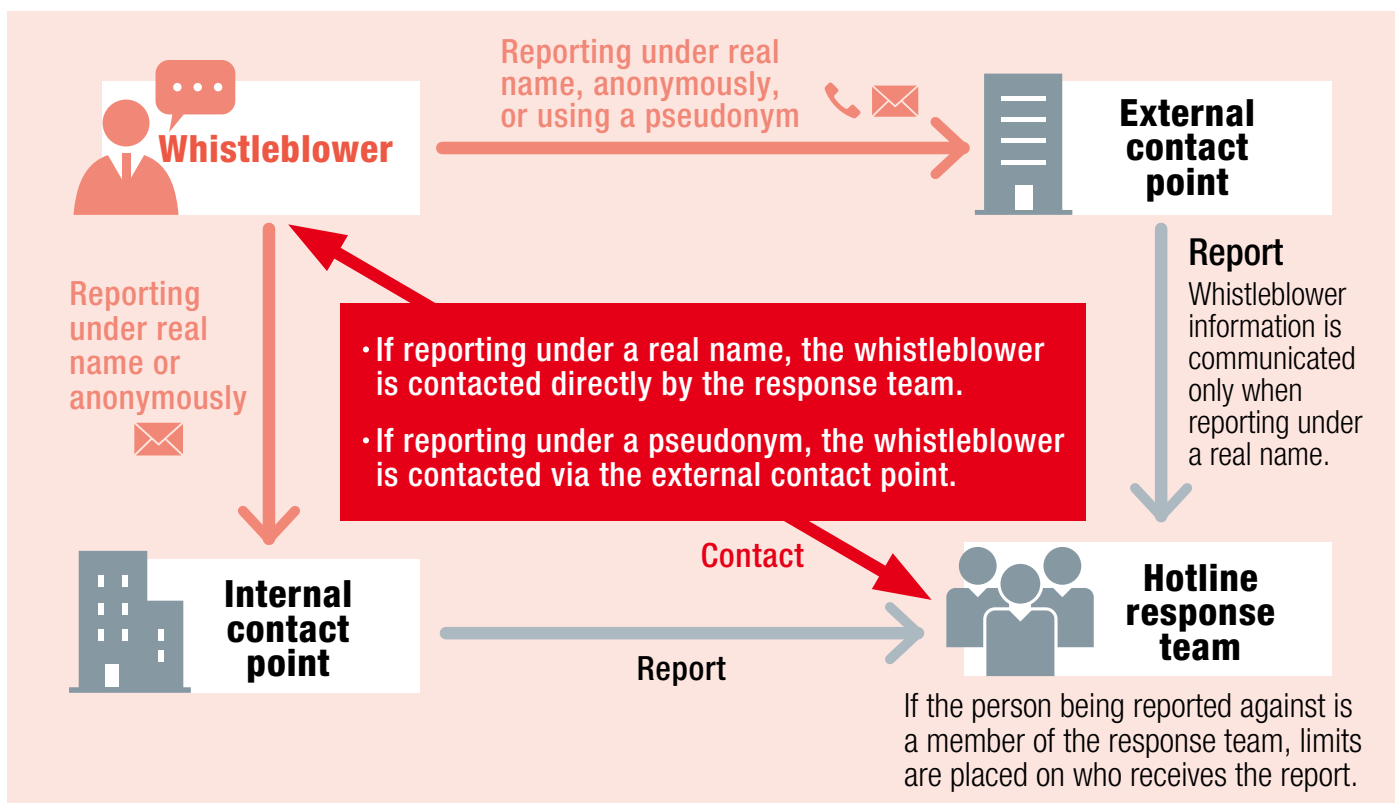
Glico Group companies within Japan and overseas establish appropriate regulations to prevent corruption and educate employees about these regulations.

Efforts 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.



Participation in External Initiatives

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.

The Project for Improving the Food Environment through Industry-Academia-Government Collaboration

In September 2023, Ezaki Glico partnered with the National Institutes of Biomedical Innovation, Health and Nutrition (NIBIOHN) and six other food companies to launch “The project for improving the food environment through industry-academia-government collaboration.” With a view of an era of 100-year lifespans, it is necessary for industry, academia, and the government to work together to enhance the food environment in Japan to achieve longer and healthier lives. The goal of this project is to establish a food environment model in which all people, regardless of their level of health consciousness, will naturally and effortlessly lead healthier lives.

Plastic Circular Challenge 2025

Since June 2023, Ezaki Glico has been participating in the Plastic Circular Challenge 2025 being advocated by World Wide Fund for Nature Japan (WWF Japan). We aim to realize a sustainable society in regard to the issues of environmental pollution—including pollution of the oceans from packaging and single-use plastics—and climate change.



Platform for Sustainable Cocoa in Developing Countries

In January 2023, Ezaki Glico registered as a member of the Platform for Sustainable Cocoa in Developing Countries—for which the Japan International Cooperation Agency (JICA) is the secretariat—and announced support for the “Action Plan to Eliminate Child Labour in the Cocoa Industry.” We will accelerate initiatives toward eliminating child labor in the cacao industry by implementing actions through the cooperation of the platform’s members.



Ezaki Glico Co., Ltd.

www.glico.com/global/