

True to our founder's spirit of "contributing to society through food," Kewpie's activities go beyond the business sphere to help communities and the global environment. Our CSR efforts help create sustainable societies and form a basis for achieving the Group's sustainable growth.











Top Message

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#### **CSR Topics**





Initiatives supporting a long and healthy lifespan







Topic2 Children

Initiatives to support children's mental and physical health through their diets







#### Topic3

#### Resources

Gratitude for our natural blessings and initiatives contributing to an environment free from waste







Topic4

#### Global warming

Initiatives contributing to the prevention of global warming



#### Kewpie Initiatives



Quality & Safety Information on customer relations and our efforts to ensure quality assurance.



Initiatives for Society
A summary of Kewpie
contributions to society,
including social, local
community, and cultural
contributions.



Environmental Initiatives
A summary of our efforts to
preserve the global environment
and environmental
considerations taken in the
conduct of our business.



Initiatives for Employees
A summary of our efforts to
become a company where
workers have increased job
satisfaction thanks to our
diversity-related initiatives.

#### Stakeholder Engagement and Outside Evaluation

Stakeholder Engagement

Outside Evaluation



#### Disclosure policy

An introduction the disclosure policies, as well as the covered periods and organization shown on the Kewpie CSR website



#### Kewpie Reports

Click here to download a variety of Kewpie reports



#### **GRI Standards Content Index**

Introducing the Company's website including such details as Kewpie's CSR information disclosure policy as well as the period and scope of coverage



## History of Our Social and Environmental (CSR) Activities

Find out more about Kewpie's CSR track record

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#### Top Message

# Aiming for the sustainable growth of the Kewpie Group, while contributing to the realization of a sustainable society

In 2019, Kewpie is celebrating 100 years since the founding of its predecessor, Shokuhin Kogyo Co., Ltd. We would like to offer our most sincere thanks to the people who have supported us all through the years.

Our founder, Toichiro Nakashima, made it his personal aspiration to contribute to society through food products, improving the physique of the Japanese people and enriching their diet. In order to realize that aspiration, he created and developed many kinds of products and businesses. In addition, he was actively involved from an early stage in projects designed to help improve society and the global environment, and continued to work on these with his employees over many years.



We aim to be a group that can contribute more widely to the food culture and health of the world, preserving and developing our 100 years of tradition.

With the 100th anniversary of our founding, we have drawn up the Group's first long-term vision, which we call "Kewpie Group 2030 Vision." It is an expression of the kind of Group that we wish to be in 2030. With our determination to put smiles on the faces of many people through our food products from the three perspectives of the world, the customer and society we will strive to become that kind of Group, through the implementation of our vision.

In the mid-term business plan for FY2019 to 2021, which is our first step towards the realization of our 2030 Vision, we have set sustainability goals as indices by which we can quantify the Group's contribution to society and the environment. Each of our sustainability goals is tied to social issues that the Group should be tackling (material issues for sustainability), and is intended to identify and respond to social and environmental changes and to contribute to the solving of issues through our business activities.

We are focused on achieving sustainability and our earnings targets as we work toward realizing our 2030 Vision. We will contribute to the realization of a sustainable society in the coming years as we simultaneously target sustainable growth at the Kewpie Group.

Osamu Chonan

Representative Director

President and Chief Executive Corporate Officer

Kewpie Corporation





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#### Governance



#### Corporate Governance

Our system for ensuring transparency, fairness, speed, and decisive action in the decision-making process. (Go to company information pages.)



#### Code of Ethics

The Kewpie Group Code of Ethics, grounded in our Corporate Philosophy, is the foundation on which we build trust among all our stakeholders.

#### Corporate Governance

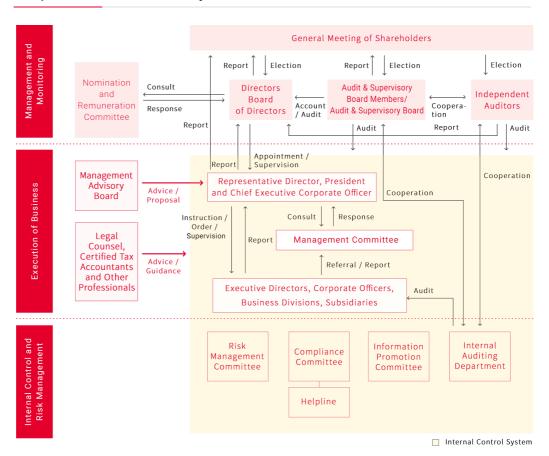
#### Basic Concepts of Corporate Governance

The Kewpie Group defines corporate governance as the mechanisms used to secure transparent, fair, swift and resolute decision making. We observe the Group Policies, and take measures to develop and enhance appropriate and effective systems in accordance with the following basic policies. To this end, we have established the Corporate Governance Guidelines as our basic framework and philosophy of our corporate governance policy.

#### Basic Policies on the Development and Enhancement of Corporate Governance Systems

- The Company shall respect the rights of its shareholders and ensure the equal treatment of shareholders.
- The Company shall respect the positions and rights of its various stakeholders, including its customers, employees, business partners, shareholders and investors, as well as local communities, and foster appropriate relationships with such parties.
- 3. The Company shall disclose its corporate information in a proper manner and ensure the transparency of its operations.
- 4. The Company shall build mechanisms to facilitate the cooperation of all management resources for its corporate governance systems.
- The Company shall engage in constructive dialog with shareholders who expect medium- to longterm investment returns.

#### Corporate Governance Systems



#### Management / Supervision

#### Overview (As of February 28, 2020)

Organizational Form	Company with Audit & Supervisory Board
Number of Directors (Members of Board of Directors)	11 (2 of which are outside directors)
Number of Corporate Auditors (Members of Audit & Supervisory Board)	5 (3 of which are outside corporate auditors)
Number of Independent Officers	5
Voluntarily-formed Committee	Nomination and Remuneration Committee
Accounting Auditors	Ernst & Young ShinNihon LLC

#### Outside Directors and Outside Corporate Auditors

The Company employs the following five outside directors and outside corporate auditors (the "outside officers") so that they are able to share with the Company independent advice and opinions regarding the overall management of the Company, based on their extensive knowledge and experiences.

These five outside officers fall into the definition of "independent corporate officers" as stipulated by the Tokyo Stock Exchange, Inc.

Independence Criteria for Outside Corporate Officers(22KB)

Outside Directors	Kazunari Uchida	Shihoko Urushi
Reason for Appointment	With a long history as a business consultant, Mr. Uchida possesses a high level of expertise and broad ranging insights regarding corporate management. He has no special interests in the Company. He is therefore well qualified for the independent corporate officer position.	Ms. Urushi not only has abundant experience as an educator, but has also gained insight as a corporate executive. She has no special interests in the Company. She is therefore well qualified for the independent corporate officer position.
Important Concurrent Posts Held	Professor of Graduate School of Commerce at Waseda University, External Director of Lion Corporation	President of Shinagawa Joshi Gakuin, Member of the Education Rebuilding Implementation Council (Cabinet Office), Outside director of Culture Convenience Club Co., Ltd Outside Director of Nisshin Fire & Marine Insurance Co., Ltd.
Attendance to Board of Directors Meetings	11/12	11/12

Outside Corporate Auditors	Emiko Takeishi	Kazumine Terawaki
Reason for Appointment	In addition to her experience in the government offices, Ms. Takeishi possesses a broad range of knowledge regarding human resource management and labor policies. She has no special interests in the Company. She is therefore well qualified for the independent corporate officer position.	Mr. Terawaki possesses professional legal knowledge and broad insight as a legal expert. He has no special interests in the Company. He is therefore well qualified for the independent corporate officer position.
Important Concurrent Posts Held	Professor, Faculty of Lifelong Learning and Career Studies, Hosei University, Outside corporate auditor of Tokio Marine & Nichido Fire Insurance Co., Ltd.	Attorney at law, Outside Audit & Supervisory Board Member of The Shoko Chukin Bank Ltd. Outside Director of TOSHIBA MACHINE CO., LTD., Outside Audit & Supervisory Board Member of Kajima Corporation
Attendance to Board of Directors Meetings	11/12	12/12
Attendance to Audit & Supervisory Board Meetings	11/12	12/12

Reason for Appointment	Ms. Kumahira has experiences in company management in and out of Japan and possesses knowledge on reform of corporate organization and leadership development as well. She has no special interests in the Company. She is therefore well qualified for the independent corporate officer position.	
Important Concurrent Posts Held	Representative Director of Atech Kumahira Co., Ltd., Outside Director of NITTAN VALVE CO., LTD.	
Attendance to Board of Directors Meetings	-	
Attendance to Audit & Supervisory Board Meetings	-	

#### Evaluation of the Effectiveness of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors by incorporating the views and suggestions from independent third parties, and works to improve the operations of the Board of Directors based on those results.

The Third Evaluation of the Effectiveness of the Board of Directors(79KB)

The Second Evaluation of the Effectiveness of the Board of Directors(78KB)

The First Evaluation of the Effectiveness of the Board of Directors(68KB)

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee was established in August 2018 as an advisory body to the Board of Directors with the aim of enhancing objectivity, adequacy and transparency regarding matters such as the composition of the Board of Directors and the methods of nomination and compensation of directors and other officers, so that it may contribute to the Group's medium- to long-term growth and improvement of its corporate value.

#### Composition

The Nomination and Remuneration Committee consists of no fewer than five members (the Company's directors and corporate auditors), and at least half of its members must consist of outside officers who meet the independence criteria.

The committee's members shall be elected by the resolution of the Board of Directors, and their term of office shall continue until the conclusion of the Company's first Ordinary General Meeting of Shareholders to be held subsequent to their appointment.

The chairman of the committee shall be appointed by the resolution of the Nomination and Remuneration Committee from among its members who are outside directors, and shall undertake chairmanship of the committee.

Outside Director	Kazunari Uchida (Chair)
Outside Director	Shihoko Urushi
Outside Director	Kazumine Terawaki
Chairman of the Board of Directors	Amane Nakashima
Representative Director, President and Chief Executive Corporate Officer	Osamu Chonan
Director, Executive Corporate Officer	Nobuo Inoue

#### Roles of the Committee

The Nomination and Remuneration Committee deliberates on the following matters, and makes decisions as necessary, with respect to:

- 1) Structure of the management systems and member composition of the Board of Directors;
- 2) Criteria for election and dismissal of directors, corporate auditors, and corporate officers;
- 3) Nomination of respective candidates for positions as directors and corporate auditors;
- 4) Criteria for evaluating directors and corporate officers;
- 5) Design of compensation systems for directors and corporate officers; and
- 6) Other matters regarding the Group's corporate governance as deemed necessary by the Nomination and Remuneration Committee.



#### **Execution of Business**

#### Management Advisory Board

The Management Advisory Board has been set up as an advisory body to the Company's Representative Director, President and Chief Executive Officer ("CEO"). In addition to outside members, comprised of outside experts, observing members (the Company's outside officers) and the Company's Representative Director, President and CEO, as well as other relevant directors depending on the agenda.

The Company's CEO receives the Board's advice and recommendations for maintaining and improving the soundness, fairness and transparency of our Group and reflects their advice in his decision making. In addition to holding its regular meetings twice a year, the Management Advisory Board also meets at any time when the need arises.

#### Internal Control and Risk Management

#### Risk Management Committee

The Company's risk management basic policy has set systematic procedures for its risk management, under which each responsible unit exercises continuous oversight of each individual risk factor. In addition, the Risk Management Committee (chaired by the director in charge of risk management, with administrative work performed by staff of the Crisis Management Office) shares company-wide risk information and undertakes comprehensive risk management in evaluating, prioritizing and addressing risk factors. The director in charge of risk management reports on the status of its activities to the Board of Directors and to the Audit & Supervisory Board.

The members of the Risk Management Committee include representatives of the Company's principal subsidiaries. Furthermore, each subsidiary reports on its operational risks to the directors in charge of risk management, as needed.

#### Compliance Committee

The Company shall appoint a director in charge of compliance to supervise the Compliance Committee (chaired by a director in charge of compliance, with administrative work performed by staff of the Internal Auditing Department). Through doing this, the Company strives to establish a compliance supervision system that extends laterally across the Company and keep abreast of problematic issues. The Compliance Committee also formulates a plan, raises awareness and conducts training sessions for the enhancement of compliance system. The director in charge of compliance reports on the status of its activities to the Board of Directors and to the Audit & Supervisory Board.

#### Helpline

The Company has set up a helpline as an internal reporting system in accordance with the whistleblower protection system, in which third-party bodies or outside lawyers engage in a role of the information recipient for the whistleblowing. Upon receiving a report or notice from an information recipient, the Compliance Investigation Committee shall investigate the facts and, if the committee finds a violation of a law or rule, it will discuss with the relevant department and decide upon measures to prevent reoccurrence. In addition to making an announcement within the Company that includes disciplinary action, the Compliance Investigation Committee shall carry out company-wide measures to prevent reoccurrence of such event.

#### Information Promotion Committee

With regard to information security, the Company has formulated internal rules governing the handling of Company information and basic policies on personal data protection. The Company has also prepared operational manuals to deal with the storage and management of information in accordance with those internal rules and policies.

In addition, the Information Promotion Committee (chaired by the corporate officer in charge of IT and Operational Reform Promotion or a person who is appointed by the said officer) conducts training sessions for employees regarding information management, monitors the information management status, and reviews each information management rule and policy.

#### **Internal Auditing Department**

In cooperation with staff for self-auditing in such areas as product quality, environmental protection, safety and labor management, the Internal Auditing Department conducts internal audits on managerial and operational systems across the overall business activity of our Group and the status of business execution from the perspective of legality and rationality.

The Internal Auditing Department is also responsible for the planning and implementation of the effectiveness evaluation of internal control over financial reporting, as designated by Representative Director, President and CEO.



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#### Code of Ethics

Guided by a philosophy that draws on its Corporate Motto and Principles, Kewpie has put in place the Group Policies that embody the Group's commitment to earning the highest degree of trust from its stakeholders, including customers, shareholders, business partners, employees, and society, who provide the underlying strength for all of its business activities.

In ensuring that each and every member of the Group fully understands and carries out the spirit of the Group Policies we are better positioned to further enhance our transparency as a company and to garner the trust of customers.

> The Kewpie Promise

#### Initiatives Rooted in the Code of Ethics

#### Respect for the Law

For a company to survive and grow over the long term, each member of its workforce, from top executives down to rank-and-file employees, must not merely comply with the relevant laws and regulations but also conduct their business in accordance with high ethical standards. Inasmuch as our employees are key to the sustainable management of our business, it is also important to disseminate, inside and outside the Group, the basic principles governing their conduct and to link these with customer confidence as well as internal self-purification mechanisms. With these concepts in mind, we have developed a Group compliance management system and are taking concrete steps to ensure compliance among all employees of the Kewpie Group.

- > Corporate Governance (Who We Are)
- > Establishment of Kewpie Group Anti-Bribery Basic Policy (Who We Are)

#### Respect for Human Rights

The Kewpie Group is striving to create a work environment free from discrimination and harassment, where each and every employee respects the rights of others. We are working to identify abuses and violations with the aid of employee attitude surveys. In addition, at a time when businesses are being asked to educate themselves about a wide range of human-rights issues and practice due diligence in their operations and partnerships, we are taking steps to strengthen protections for human rights across the supply chain.

#### Respect for human rights

In addition to promoting activities aimed at boosting awareness of human rights among the employees, the Kewpie Group has launched initiatives to promote a better understanding of global human rights issues that are unique to the foods industry. Since fiscal 2017, we have utilized the ISO 26000 framework to promote a shared understanding among the six Kewpie headquarter divisions regarding current conditions in key issues such as human rights and society's expectations of businesses. In

January 2018, we announced efforts to work with our business partners on the formulation of the Kewpie Group Fundamental Policy for Sustainable Procurement, which includes the pledge to "protect human rights and refrain from discriminatory language or content, inhumane treatment, or any involvement in human-rights abuses."

#### **Employee Rights**

Within Japan, the Kewpie Group has implemented programs to raise employee awareness of various forms of workplace harassment, together with anti-harassment training for managers, in accordance with the Kewpie approach to promoting human rights. In addition, we have set up a Helpline for employees wishing to report or discuss questionable conduct or treatment within the Kewpie Group. Among our overseas Group companies, we are working to protect employee rights by stressing compliance with local statutes, good governance systems, internal reporting mechanisms, and compliance with the Group Policies.

#### **Building Respect into Our Product Line**

Kewpie has facilities in Malaysia and Indonesia that are approved for the production of halal-certified food products. These products are sold domestically and in neighboring markets where Western dietary customs are on the rise. We also sell a halal-certified Kewpie Mayonnaise Japanese Style within Japan to meet growing demand from Muslim residents and visitors from Islamic regions.



Kewpie Mayonnaise Japanese Style (halal-certified)

#### Fair and Sustainable Corporate Activities

Based on our conviction that "good products begin with good ingredients," the Kewpie Group has fulfilled its social responsibility together with our suppliers, clients and everyone else in the supply chain. The requirements for "good ingredients" change with the times. Today we are striving strengthen our procurement activities to take into account not only the quality of the ingredients but also the environment and human rights in the supply chain. By so doing, we aim to realize a sustainable society together with our business partners.

- > Raw Material & Procurement Quality
- > Fundamental Policy for Sustainable Procurement

#### Commitment to Information Security

The Kewpie Group has drawn up management manuals including regulations on the handling of corporate information and basic regulations for the protection of personal information. Under the direction of the Information Security Committee, we provide training for personnel involved in information management, conduct compliance and performance audits, and periodically review and update the regulations. We also work with our overseas offices to ensure that they have systems tailored to their countries' restrictions and IT environment and that their employees know and follow those procedures.

- > Privacy Policy (Who We Are)
- > Corporate Governance (Who We Are)

#### Rejection of Antisocial Forces

As a responsible member of Japanese society, the Kewpie Group abjures all ties with antisocial forces that threaten the order and safety of our society and pledges to deal resolutely with improper demands from such entities. We are working to educate Group personnel about these policies while sharing relevant information and concerns with police and other authorities. In addition, we have inserted a clause on the exclusion of antisocial forces in all our domestic business contracts.

#### Basic Policy on Antisocial Forces

As a responsible member of Japanese society, the Kewpie Group abjures all ties with antisocial forces that threaten the order and safety of our society and pledges to deal resolutely with improper demands from such entities. We have drawn up rules and procedures for dealing with antisocial forces and are conducting training at each level and e-learning to ensure employee compliance. We will make every effort to share relevant information and concerns with police and other authorities as needed.

#### Clause on the Exclusion of Antisocial Forces

The Kewpie Group includes a clause on the exclusion of antisocial forces in all its contracts with business partners. The clause provides for immediate termination of the contract in the event that the business partner is found to be an antisocial force or to have connections with antisocial forces.



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#### Basic Approach to CSR

We in the Kewpie Group are determined to carry on the Kewpie tradition of contributing to society through application of our Corporate Philosophy and Group Policies. By adopting the following Basic Approach to CSR, we affirm the importance of corporate social responsibility as a key to corporate and social sustainability.

#### Basic Approach to CSR

We will adhere to the Group's philosophy and standards, contributing to a sustainable society while promoting CSR activities as a foundation for continuous growth.

#### **CSR Governance Framework**

The CSR Committee, made up of representatives from each relevant business division and Group company, is the main policy-making organ with the CSR Division as its secretariat, and is responsible for drafting basic CSR policies and plans. Subcommittees have been established to draw up specific targets and action plans for each of the Group's CSR Priorities (material issues), and Group-wide initiatives have been launched.



#### The Kewpie Promise

Full text of the Group Policies that every employee of the Kewpie Group is expected to understand and uphold



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#### Material Issues

#### Material Issues for Sustainability

The Kewpie Group has designated the following issues as our material issues for sustainability aiming to contribute to the realization of sustainable societies and continuous Group growth.

We have set indices (Sustainability Target) for each of these priorities to use them in our business practices.

- Contribution to extending healthy lifespan ●
- Mental and physical health support for children
- Efficient use of resources and sustainable procurement
- Reduction of CO₂ emissions (response to climate change)

In addition to the above four CSR Priorities, we promote the following as the platform of our Group growth strategy.

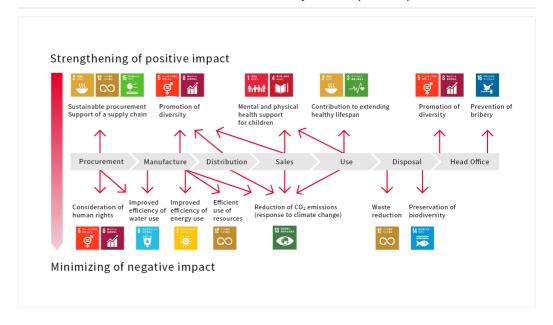
Promotion of diversity

#### Process for Selecting Material Issues

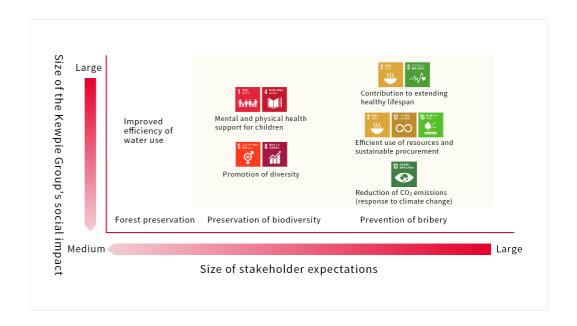
We have identified the social issues that the Kewpie Group should engage in through our business by performing a risk and opportunity analysis of our value chain while referring to Sustainable Development Goals (SDGs\*1).

Next, we evaluated the size of stakeholder expectations and the size of the Kewpie Group's social impact for each of these social issues. Through this process, we determined material issues for sustainability for the most urgent engagement by the Kewpie Group.

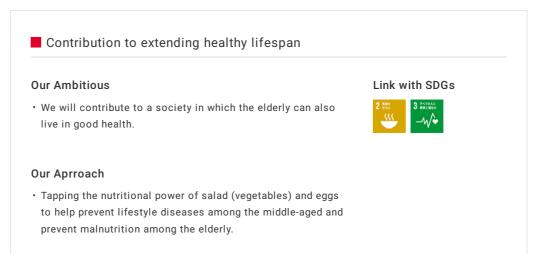
In the assessment of materiality, we referred to CSR-related international guidelines. This assessment also reflects the thinking of the medium- to long-term plan currently being drawn up by the Kewpie Group.



#### Identification of Material Issues for Sustainability



#### Measures for our material issues



#### **Sustainability Target**

As a leading retailing company of salad and egg:

- Contribute to achieving a vegetable intake target of 350 grams<sup>\*2</sup> per day.
  - \*2 The average daily intake target for adults defined in the Ministry of Health, Labour and Welfare's "Healthy Japan 21"
- Promote a boost in egg consumption in order to contribute to increasing protein intake.



#### Mental and physical health support for children

#### **Our Ambitious**

• We will support children's mental and physical health through their diets and support their future activities.

#### Link with SDGs





#### Our Aprroach

- Creating opportunities for food education and communal dining incorporating salad and egg products.
- Providing food assistance to children and their families, in the process strengthening communication between children, families, and the community.

#### **Sustainability Target**

 Achieve creating over one million smiles of children through our Group's food education activities by 2030 (cumulative number since 2019).



Efficient use of resources and sustainable procurement

#### Our Ambitious

 We will show gratitude for our natural blessings and be mindful of Earth's sustainability.

#### Link with SDGs







#### Our Aprroach

- Using food resources efficiently and effectively and reducing
   food weets
- · Working with producers to promote sustainable agriculture.

#### Sustainability Target

- Effectively use 30% of unused portions of main vegetables used by the Group by 2021, and 90% or higher by 2030.
- Reduce product disposal by 25% by 2021 and 50% by 2030 (compared with 2015).

Topics >

Reduction of CO<sub>2</sub> emissions (response to climate change)

#### **Our Ambitious**

 We will work to reduce CO<sub>2</sub> emissions in pursuit of global warming prevention.

#### Link with SDGs



#### Our Aprroach

 Cutting CO<sub>2</sub> emissions across the supply chain, from procurement of ingredients to product use and disposal.

#### Sustainability Target

• Reduce Group's annual CO<sub>2</sub> emissions by 7.5% by 2021 and by 20% by 2030 (compared with 2013).

**Topics** 

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#### Promotion of diversity

 All Group members will accept, and learn from, one another in pursuit of a sustainable society and Group growth in accordance with the Group philosophy.

#### Link with SDGs





#### **Sustainability Target**

• Raise the proportion of women in management positions to 12% by 2021 and 30% by 2030 (in the Kewpie Corporation).

Initiatives for Diversity



\*1 Sustainable Development Goals (SDGs) The Sustainable Development Goals (SDGs), adopted by the United Nations General Assembly in 2015, are a collection of 17 global goals forming a common international agenda for sustainable development, with a target date of 2030.



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#### **CSR Topics**



#### ▶ Topic¹¹

Initiatives supporting a long and healthy lifespan



#### ▶ Topic②

Initiatives to support children's mental and physical health through their diets



#### ▶ Topic<sup>③</sup>

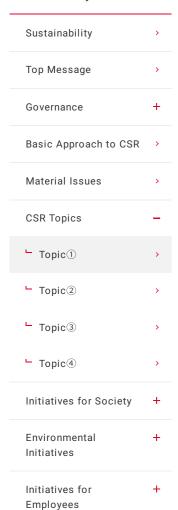
Gratitude for our natural blessings and initiatives contributing to an environment free from waste



#### ▶ Topic④

Initiatives contributing to the prevention of global warming





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Topic 1

# Salad (vegetables) and eggs for better health!





#### Material Issues: Contribution to Extending Healthy Lifespan

Long and healthy lifespans are built on healthy eating habits

Japanese people have the longest average life expectancies in the world. However, there is a growing gap between life expectancy and healthy life expectancy, with the latter considered the period of time one lives in good health. A healthy lifespan is strongly linked to healthy dietary habits, and while a diet rich in vegetables and low on salt is thought to help prevent the onset of some lifestyle-related diseases, the truth is that not all age levels are consuming the daily recommended allotment of vegetables. Moreover, as people age, a lack of nutrition contributes to a reduction in vital functions, so it is especially important for these people to consume foods that are rich in protein and energy.

# The gap between average life expectancy and healthy life expectancy Preventative care is necessary to a long, active and healthy life 3.4 years 4.5 years 4.6 years 4.7 yea

# Nutrition required to maintain good health Vegetables: recommended consumption of 350 grams per day 150 200 250 300 350(g) 20~29 30~39 40~49 50~59 50~59 00~88 00~69 70~79 0ver 88 0versold Source: The Ministry of Health, Labour and Welfare's "National Health and Nutrition Survey" in 2017>

#### Easy, delicious, and good for your health

A well-balanced diet requires the consumption of vegetable that are rich in dietary fiber, vitamins, and minerals such as calcium, as well as eggs, which are a good source of protein.

By offering a variety of food ideas centered on the eggs and salads (vegetables) our Group companies specialize in, the Kewpie Group helps to provide the healthy, delicious and easy to prepare meals that underpin joyous and healthy dietary habits on a daily basis.

#### Initiatives aimed at extending healthy lifespans

Vegetables are essential to health, and combining them with eggs makes for the most powerful of collaborations!

Just as eggs contain all the nutrients necessary to incubate a chick, of the key daily nutrients needed by an adult, eggs provide a wide range of nutrients, except Vitamin C and dietary fiber. In particular, eggs contain a balance of amino acids that can only be ingested through eating. For this reason, an ideal nutritional balance would combine eggs with vegetables and fruit with lots of dietary fiber and Vitamin C. Vegetables are also the ingredients that contribute to the enhanced ability to chew. The mouth is considered the gateway to health, and the active intake of vegetables is one key to a healthy life.



#### Oefu Mayo Cabbage Cole Slaw



Serves: 2 Ingredients:

- 2 boiled eggs
- 2 cabbages
- 2 slices of ham
- · A pinch of pepper
- · 3 tablespoons of Kewpie Mayonnaise

Instructions for preparation

- Cover the cabbages in wrap and heat in a 500W microwave for about two minutes. Wash in cold water. Drain the water and cut the cabbage into 1cm squares.
- 2. Cut the ham slices into 1cm squares.
- 3. Mix the ham and cabbage slices with the mayonnaise.
- Place the mixed ingredients in a bowl and put the boiled eggs, cut in half, on top. Add a line of mayonnaise to the eggs and season with pepper.





#### Lectures on the theme of food

The Kewpie Group has an important role to play in teaching people not only the facts about food, but also the importance of eating in a fun setting. With the goal of contributing to healthy and enjoyable eating habits, we are dispatching employees to speak on the theme of food and to provide accurate and up-to-date information to our customers on dietary habits and health.

There are three programs. The first centers on the wonders of vegetables, with content of interest to all who participate, including information provided on a DVD regarding vegetable nutritional values and recommended consumption, as well as cooking ideas that can be used in everyday life. Those participating in the program appear to have developed a keener interest in vegetables, with remarks from these participants such as "I'm now considering menus with 350 grams of vegetables per day" and "I learned many good things about vegetables and how best to enjoy them at meals."

Number of lectures per year 154

(FY2018)



#### A food partner for every person!

#### **Our Ambitions**

Mr. Kazuyuki Uemura



Management Promotion Division, Food and Health Promotion Project Kewpie Corporation As we move into an age in which lifespans of 100 years are becoming quite common, there is a growing interest in maintaining one's health. In order to lead a healthy and active life, it is important to maintain a balance of three things: nutrition, exercise, and social interaction. As lifestyles continue to diversify, Kewpie aims to continue creating food and diet ideas that are tailored to a variety of dietary lifestyles, especially in terms of nutrition, with a focus in particular on "foods that are fun and delicious" and "the importance of nutritional balance and taking in nutrition by eating from the mouth."

Material Issues



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#### Topic2



# Food education activities to support children's mental and physical health through their diets

#### Material Issues: Mental and Physical Health Support for Children

#### Mental and physical health begins at the table

The dietary environment encompassing Japan's children today is undergoing major changes, with children now skipping breakfast, eating an unbalanced diet, and having fewer opportunities to share meals with family, friends, and others. These changes have led to growing concerns over the potential negative impact on the mental and physical health of children, including weakened interpersonal relationships and a lack of knowledge and experience.

#### Supporting the ability of children to think and live to their fullest

The table where people gather to eat is an important place to support health, not only through meals, but also in the fostering of social interaction and the creation of rich minds. With the hope of supporting the mental and physical health of children, and contributing to their future success by supporting their ability to think and live to their fullest, the Kewpie Group is working together with likeminded organizations to promote food education activities for these children.

#### Initiatives to support children's mental and physical health

#### Participatory events full of smiles and discoveries

Mayo Terrace in Chofu City, Tokyo is a hands-on facility where visitors can experience a real feel for eating in a fun setting. We have provided two examples of events sure to produce smiles at Mayo Terrace.



#### Events where children aged 3-6 years can make mayonnaise-based sauces Eating and enjoying vegetables from an early age!

At these events, children can try to make different types of sauces using mayonnaise and then enjoy them with vegetables. Making the sauces themselves builds confidence and the idea that eating can be fun.

The children have been known to say things such as "the vegetables were so delicious" while the parents have said "I've never seen them eat vegetables like this before."



Events teaching how to best use baby food for babies that are just weaning
We want families with infants to experience less stress and enjoy child rearing!

It's important to be very careful with food when a baby eats for the first time. We believe that the right knowledge regarding baby food and food for babies that are weaning can eliminate worries over food and contribute to the parents spending more time happily communicating with their children. The event has proven very popular, with parents bringing their infants also forming their own support network.



#### An attractive Open Kitchen tour that's a feast for the eyes

Based on the idea of the plant being an extension of a kitchen, the Kewpie plant tour is called an "Open Kitchen" tour. First launched as part of a social studies field trip for elementary school students, there are now five plants around the country offering these Open Kitchen tours. The tours have proven very popular with children and adults, as they can not only see the production of safe and reliable products, but can also learn more about vegetables and food, attend childrearing support events, as well as free research events during the summer vacation from school.



Together with local communities, Kewpie supports the creation of spaces where children can feel at home and food education activities

In 2017, the Kewpie Group established the Kewpie Mirai Tamago Foundation to advance the Group's unique initiatives on this front and support organizations that share our philosophy about food, as a way of giving back to society that surpasses what a single company can do alone. The Kewpie Mirai Tamago Foundation is focused in particular on supporting organizations that provide food education activities and create spaces where children can feel at home. Children's cafeterias are becoming increasingly common as places where multiple generations in a community can interact. In addition to holding a summit on the creation of meaningful places for children, which allows the sharing of information by people involved in children's cafeterias throughout the country, the foundation provides assistance in areas such as the sharing of management issues and operating concerns between those working in the field.



#### Comments from organizations supported by the foundation

Food education activities

Sangosya Score Ms. Higuchi

Okinawa has long lived with the problem of water shortages, and our ancestors had a considerable amount of knowledge in regard to the issue. We have continually implemented activities in which younger people today can re-evaluate their lifestyles based on experiencing the lifestyles of those that came before. Our activities include a day spent in nature, making toys common long ago while preparing home-cooked and special occasion meals using homegrown vegetables. The grants provided by the foundation have allowed us to greatly expand our range of activities, including in regard to the meals we prepare and the vegetables we grow.



#### Food for a smile and a brighter future!

#### **Our Ambitions**

Selection Committee member Ms. Mika Sekikawa



Business Group, Consigned business team Kewpie Ai Food has the power to make people smile, especially when everyone is sitting around the kitchen table sharing a delicious meal. I've also felt that sense of joy when learning about the origin of a particular ingredient or how best to enjoy a certain food. I would like to support the many people who are working to create through food and food activities a special place for learning that invigorates both body and mind. The Kewpie Group has been able to attract people from all over Japan and create specialized activities that take advantage of the uniqueness of organizations and specific regions. I hope to see the ongoing development of food education activities in the future.

Material Issues



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#### Topic3







# Garbage if it is thrown out, a resource if is put to use

#### Material Issues: Efficient Use of Resources and Sustainable Procurement

#### Japan and the culture of waste ("Mottainai")

Annual food loss, defined as food that is still edible but discarded, is estimated in Japan at about 6.43 million tons \*1. This well exceeds the 3.8 million tons of food given in aid each year to starving people around the world \*2.

- \*1 Source: 2018 estimates from the Ministry of Agriculture, Forestry and Fisheries and the Ministry of the Environment.
- \*2 Source: 2017 figures from the United Nations World Food Programme (WFP).

#### Reducing food waste

The Kewpie Group is working to reduce waste and make effective use of food residue at the production stage. We are also working to reduce food waste at the distribution and consumption stages by displaying expiration dates in a year/month format as well as extending the shelf life of our products.

#### Initiatives aimed at promoting the more effective use of resources

#### Giving value what was once considered waste

We aim to use all our valuable raw materials, first in delivering products to our customers, but any materials not used in products are to be used as compost, feed, or as an ingredient in dyes. In the case of cut vegetables, the portions that cannot be used in products can be used as a fermented dairy cow feed that can be stored for a long period of time. It has been reported that dairy cows that have been given this feed also produce an increased volume of milk. Efforts such as these have positive merits on three fronts: for dairy farmers, the country, and the global environment, and have been praised by external agencies, resulting in the company receiving resource recycling awards.



An apron made with vegetable dye and used in the Mayonnaise classes



A dairy cow eating feed

#### The path to producing feed was more difficult than I had imagined!



While finely grinding, then dehydrating the external leaves and cores of vegetables that couldn't be used in our products, my first thought was along the lines of "what in the world are we making?" After at first failing to properly ferment the material and struggling with foul odors, a long period of trial-and-error with the single goal of reducing waste led to success in creating a safe and stable source of feed for our dairy cows. I remember feeling that this was one way of making a social contribution, and hope to continue pursuing value from unused on-site resources.

**Material Issues** 

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#### Topic4

# Concern for the Environment in Transport and Delivery



Material Issues: Reduction of CO<sub>2</sub> Emissions (Response to Climate Change)

The movement of people and things has a strong impact on the environment

About 18%\* of CO<sub>2</sub> emissions in Japan come from the movement of people and things, including through the use of automobiles, trains, aircraft, and ships. Emissions from automobiles account for the largest share, with emissions from cargo vehicles alone accounting for 6.5% of total emissions. Contributing to a reduced environmental impact requires us to make transportation more environmentally friendly, including through enhanced efficiency.

\* Source: Ministry of the Environment 2017 report on greenhouse gas emissions Material Issues: Reduction of CO<sub>2</sub> Emissions (Response to Climate Change)

#### Eco-transport to cut down on CO<sub>2</sub> emissions

The logistics business of Kewpie Group is working together with our business partners and group companies to improve efficiency in transport and delivery operations to reduce CO<sub>2</sub> emissions. These efforts include eco-friendly driving that promotes safety and fuel efficiency, as well as modal shifts, including use of shipping and rail transport that has a smaller environmental impact than truck-based transport, and the shared use of trucks.

Comparison of truck, ship, and rail CO<sub>2</sub> emissions



f trucks One-eleventh the emissions of truck

rail



< Source: Ministry of Land. Infrastructure. Transport and Tourism's report on carbon dioxide emissions in the transportation sector>

#### Initiatives aimed at reducing CO2 emissions

Engaged in environmentally friendly joint transportation operations with companies in other sectors

Kewpie is actively engaged in joint transportation operations with toiletries sector company Lion, and rental pallet industry company Japan Pallet Rental. By hauling freight for three companies, empty truck movement was reduced to less than 1% of total movement.

We have further reduced CO<sub>2</sub> emissions by enacting modal shifts, including shifting some freight movement from trucking routes to shipping routes. These efforts have won widespread external praise, with the company being awarded the 2018 Excellent Green Logistics Partnership Award from the Ministry of Land, Infrastructure, Transport and Tourism.

Children are naturally curious, but can get into accidents as they often don't pay attention or don't have sufficient knowledge of what is happening around them. With this in mind, group logistics firm K. Tis Corporation holds traffic safety classes with the aim of contributing toward the creation of a safe a secure society. Through closer contact with the people around us, we aim to further increase safety awareness.



Experiencing the blind spot that drivers can't see

**Material Issues** 



## Sustainability Top Message Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Society through Food

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#### Initiatives for Society

As a corporate group that manufactures and sells foods essential to people's lives, Kewpie aims to contribute to healthy and enriching lifestyles.



#### Kewpie's Social Contribution Activities

We engage in social contribution activities to operate in greater harmony with local communities, chiefly by continuing for a long period of time, helping numerous people, and maintaining strong community ties. We conduct various activities linked to regional development, especially through collaboration with local governments and organizations such as NPOs and NGOs.



#### Contributing to Society through Food

As a food manufacturer, we devote particular effort to foodrelated social contribution activities centered on dietary education.



#### Contributing to Local Communities

Throughout the Kewpie Group, we cooperate with and contribute to local communities in Japan and around the world.



#### Cultural Contribution

We support activities that enable people to lead healthy and enjoyable lives through cultural endeavors including song and dance.



### Activities

Learn more about Kewpie's other social contribution activities, including our longstanding involvement in the Bellmark campaign and our donation programs.



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#### Contributing to Society through Food

The child-raising environment is undergoing major changes amid trends such as the shift towards nuclear families, households where both parents work, and single-parent families. Child poverty has also emerged as an issue in recent years, and there is a growing need for multi-faceted childrearing support. Establishing healthy dietary habits during childhood fosters a healthy personality, forming the basis for lifelong health. Meanwhile, it has become an important social challenge to extend healthy life expectancy as societies age, in order to improve individual quality of life and prevent social losses. In the aim of resolving issues such as assuring mental and physical health for children and extending healthy life expectancy, the Kewpie Group helps to create better societies through both its business activities and social contribution initiatives focused on dietary education.



#### **Dietary Educational Activities**

The Kewpie Group conveys food safety and security and the enjoyment and importance of food through food educational activities. We launched "Open Kitchen" factory tours in 1961, and since 2002 we have sent instructors to elementary schools throughout Japan to run "Mayonnaise Classes."

We are also working to provide a wealth of information on food. Our efforts include the monthly publication of Kewpie News, a magazine providing information supporting mental and physical health, as well as "Media Library Activities," which include the free distribution of DVDs to schools and consumer lifestyle centers.



#### Support for Food Bank Activities

According to statistics published by Japan's Ministry of the Environment and Ministry of Agriculture, Forestry and Fisheries, around 6.43 million tons of food is wasted per year (estimates in fiscal 2018) in Japan, despite still being edible. Meanwhile, many people struggle to consume adequate meals. Since 2007, the Kewpie Group has supported food bank\* activities run by the NPO Second Harvest Japan and donated goods such as mayonnaise, dressing, and jam. In fiscal 2018, eight offices in Japan belonging to four group companies donated to eight food bank groups in several areas.

\*Food banks accept factory seconds produced during food manufacturing and provide them free of charge to persons in need and welfare facilities such as foster centers.

#### Supporting Child Poverty Initiatives through

Lifestyles and diets have diversified rapidly in recent years, but this shift has been accompanied by increasingly serious social issues surrounding food, including a decline in food knowledge and interest particularly among the younger generation, the dwindling of mealtime communication, and child poverty. Based on the spirit of contributing to society through food that has driven Kewpie's business activities since the company was first founded, in April 2017 we established the Kewpie Mirai Tamago Foundation. Through wide-ranging support for the activities of like-minded groups, we hope to accomplish a level of social contribution not achievable by a single enterprise acting alone. As well as conducting our own dietary educational activities, we take a longterm perspective on creating healthy and sustainable societies.



#### Kewpie Mirai Tamago Foundation, a public interest incorporated foundation

The main focus of this foundation is donating to organizations that create meaningful spaces in which children can relax and gain a stronger sense of belonging through food, such as those devoted to food education and the Kodomo Shokudo Network. In fiscal 2018, the foundation selected 26 organizations to support, and in May at the headquarters in Shibuya, Tokyo and in October at the Kewpie Osaka branch held activity report meetings and lectures from those involved in the management and support of initiatives such as Kodomo Shokudo on the role of children's cafeterias and the importance of hygiene and food education as part of a course on establishing meaningful spaces for children. The Kewpie Mirai Tamago Foundation became a public interest incorporated foundation on 1 April 2019.





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#### Contributing to Local Communities

#### Community Ties

The Kewpie Group cooperates with local governments to resolve community issues.

#### Initiatives with Yamagata Prefecture

With the aim of revitalizing the region and improving the quality of life of its citizens, Kewpie in February 2019 signed a comprehensive partnership agreement with Yamagata Prefecture focusing on promoting regional revitalization. The aim is to contribute to the Yamagata Sosei (Yamagata Creation) program through the effective use of the company's resources as well as those of the prefecture.

Content of the comprehensive agreement for cooperation between Kewpie and Yamagata

Prefecture

Kewpie and Yamagata Prefecture will work together on the following challenges facing local communities. The parties will cooperate on the study and implementation of specific measures.

#### Content of the agreement

- 1. Matters related to the local production and consumption of Yamagata Prefecture agricultural products and the expansion of use
- 2. Matters related to the promotion of health
- 3. Matters related to the promotion of food education
- 4. Matters related to efforts to alleviate childhood poverty
- 5. Matters related to disaster prevention
- 6. Other matters related to the promotion of the Yamagata Sosei program

#### Shibuya Ward Initiatives

In December 2016 Kewpie signed a Shibuya Social Action Partner agreement with the municipal government of Shibuya Ward. The aim of this comprehensive partnership agreement is work together to resolve community issues. Through this agreement, we will cooperate with Shibuya Ward on new initiatives and foster greater harmony with the local community.

#### Content of the Agreement

- Support to provide food education and resolve child poverty
- Support in the health promotion domain in a super-aging society
- Research and proposal of solutions to issues in the environmental domain (including food wastage)
- Support provision, planning, and development of communication initiatives to promote cultural and artistic endeavors
- Support for research and educational activities to achieve diversity
- Personnel exchange as part of human resource development and training programs



#### Initiative with the City of Hiroshima

With the aim of revitalizing the region and improving the quality of life of its citizens, Kewpie in March 2018 signed a comprehensive partnership agreement with the City of Hiroshima focusing on promoting regional revitalization. The parties will work together to promote initiatives that make the most effective use of the resources of Kewpie and the City of Hiroshima.

As part of the agreement, Kewpie and the City of Hiroshima will work together to promote the local production and consumption of six large leafy vegetables grown nearby, as well as to increase the daily intake volume of vegetables by the area residents.

As part of PR activities aimed at expanding the consumption of local agricultural products in the City of Hiroshima, Kewpie is promoting at mass retailer tastings and menu proposals so that customers can best enjoy the delicious seasonal vegetables.

#### Details of the agreement

- 1. Matters related to promoting local production and consumption
- 2. Matters related to increasing the consumption of vegetables
- 3. Matters related to improving health
- 4. Matters related to the promotion of food education
- 5. Matters related to disaster prevention

#### Hiroshima Prefecture Initiatives

Aohata Corporation entered into a comprehensive partnership agreement with the Hiroshima prefectural government in 2013. Under the partnership agreement it has engaged in a wide range of initiatives, including development of original local products (the Setouchi brand), tourism promotion, improvement of services for local residents, promotion of efforts to revitalize the regional economy, health promotion, food education, and enhancement of regional safety and security.

#### Content of the Agreement

- Promotion of the Setouchi brand and local products
- 2. Tourism promotion and dissemination of prefectural government information
- 3. Educational and cultural promotion
- 4. Health promotion and food education
- 5. Environmental measures and recycling
- 6. Regional safety and security
- 7. Support for people with disabilities
- 8. Child-raising support
- Other efforts to enhance services for residents and invigorate regional society



 $Products\ registered\ under\ the\ Set ou chi\ trademark$ 

#### Initiatives in Fukushima Prefecture

The Kewpie Sendai Branch Koriyama Sales Office runs a social contribution program on the theme of "Smiles at Fukushima dinner tables!", which goes beyond existing "Mayonnaise Classes" to focus on building a cycle of local consumption of vegetables produced in Fukushima and using that cycle to create new eating scenarios. In cooperation with the Fukushima Prefectural Headquarters of ZEN-NOH, the National Federation of Agricultural Cooperative Associations, and local farms, the office distributes seedlings of cucumbers, a vegetable for which Fukushima Prefecture is renowned, to local elementary schools and runs Mayonnaise Classes in the harvest season, providing children with the chance to experience eating cucumbers they have grown themselves accompanied by hand-made mayonnaise. As well as communicating the joy of food and the great taste of vegetables, this initiative promotes harmony with the local community.

#### Regional Clean-up Activities

We carry out voluntary clean-up activities in the areas around all of our facilities. Kewpie employees also take part in regular clean-ups of local riversides and shopping precincts.



#### Open Kitchen

Kewpie believes that the factory is an extension of the kitchen at home and accordingly calls its factory tours for the general public an "Open Kitchen" tour. We believe these tours present the best opportunity for our customers to see how products are made, to gain a better understand of the products, and to feel more assured about their use.

Kewpie launched Open Kitchen factory tours in 1961. It was rare at the time for food industry companies to open production sites to the public, and our tours were initiated as part of social studies field trips for elementary school students. We now host about 60,000 visitors intent on studying local industry each year.

#### Educational Support Activities by Group Companies in Japan

As part of its educational support activities, Aohata Corporation delivers presentations and lectures and runs jam-making training in high schools and universities, as well as accepting student interns to provide them with a better understanding of the importance and challenges of work. Donations from Aohata have also formed the basis for establishing the Aohata Scholarship Fund in Takehara, Hiroshima Prefecture, where the company's head office is located. This grant scheme awards scholarships to two new students each year.

#### Regional Contribution Activities by Overseas Group Companies

Kewpie (Thailand) Co., Ltd. budgets 2% of its profits for activities on the three themes of environment, support for children, and regional contribution. This initiative also aligns with the corporate policies of the Saha Group, our local joint venture partner. The company's environmental activities include encouraging reduction of environmental load by promoting LED lighting, water recycling, and the use of biomass fuel, as well as ongoing tree-planting programs conducted with the local community to preserve water sources (8,000 trees were planted in fiscal 2018). Support for children includes school expense assistance for employees' children and installation and maintenance of health and sanitation facilities such as cafeterias, toilets, and drinking water in nearby elementary schools. Regional contributions include support for improved living environments in partnership with the public health bureau, support for daycare centers, factory tours, and employee volunteer clean-up activities.



Tree-planting program



Upgrading of sanitary facilities
Left:Before upgrade Right:After upgrade



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#### **Cultural Contribution**

#### Mothers' Chorus

Kewpie cosponsors the JCA Mothers' Chorus
Festival (organized by the Japan Choral
Association [JCA] and the Asahi Shimbun
Company) and the Okinawa Mothers' Chorus
Festival (organized by the Okinawa Mothers'
Chorus Association and the Ryukyu Shimpo Co.,
Ltd.). These festivals give mothers who are
usually busy with chores and work the opportunity
to enjoy singing in choirs. We support mothers
who ensure the health and happiness of their
families.



#### JCA Mothers' Chorus Festival

Each year around 20,000 singers from some 900 choirs take part in regional festivals around Japan. About 60 choirs are selected to attend a national festival held in a major city, where they showcase the results of their regular practice. This provides an unparalleled performance forum for mothers' chorus enthusiasts.



#### History of the Mothers' Chorus Festival

This event dates back to 1978, when JCA and the Asahi Shimbun organized the 1st Mothers' Chorus Festival based on the belief of Mr. Kan Ishii, who was JCA President at the time, that mothers needed knowledge of the arts to create healthy households.

Around 10,000 singers from 232 choirs took part in qualifying rounds for the first festival, and 25 choirs performed to great acclaim at the national festival held in Toranomon Hall in Tokyo. The number of choirs participating has since grown steadily, to the point where some 20,000 singers from about 900 choirs now take part in regional festivals held between March and July each year.

The origins of the Okinawa Mothers' Chorus
Festival date back to an event held in 1979 to
promote "the joy of singing." Initially it was a
small gathering where singers stepped down from
the stage after performing to sit in the audience
and listen to the next choir. As time went by, the
concept spread throughout Okinawa and grew into
a splendid cultural activity that brings together
lovers of choral music. Its popularity has been
boosted by the rising standards of the choirs
performing and the inclusion of many Okinawan
songs.



#### History of the Okinawa Mothers' Chorus Festival

Thinking that if there was a mothers' volleyball league it was only proper to have a mothers' chorus festival, the late Mr. Asataro Nakasato, who was the first president of the Okinawa Mothers' Chorus Association, joined with former advisor Mr. Yokichi Hatoma, former president Ms. Yuki Niijima, and Ms. Tamiko Shibata, a resident of Hyogo Prefecture, to take the lead in organizing a social recital by five choirs in the Naha central community center on February 14, 1979, and this formed the basis of today's Okinawa Mothers' Chorus Festival. The following year they invited then-JCA President Mr. Kan Ishii to attend the 1st Okinawa Mothers' Chorus Festival, held in Ryukyu Shimpo Hall on March 1, 1980, which was a significant first step towards establishing an ongoing event. Since then, the scope of participation has spread from Naha throughout Okinawa, and the association now holds regular choral lessons and conductors' courses to give something back to participating choirs, and is working to build a more cohesive organization and polish performance techniques.

# All-Japan Elementary and Junior-High School Student Dance Competition

Kewpie also co-sponsors the All-Japan Elementary and Junior-High School Student Dance Competition (organized by the Asahi Shimbun Company).

Dance has been introduced into elementary and junior-high school curriculums and club activities. Educators anticipate that as well as building basic physical capabilities, this will bring significant educational benefits by fostering a sense of rhythm, self-expression, imagination, and communication skills. As children learn to dance, Kewpie supports their healthy growth through food, which is a source of vitality.



# About All-Japan Elementary and Junior-High School Student Dance Competition

This competition was launched in summer 2013 with the intention of giving elementary and junior high school students a forum to showcase rhythmic dance performances rehearsed with their friends in school lessons and club activities. Through dance, the organizers hope to foster healthy bodies, rich expressive abilities, and the spirt of teamwork.





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# Other Social Contribution Activities

# **QPeace Donation-Matching Scheme**

The Kewpie Group introduced the QPeace donation-matching scheme in fiscal 2008 to encourage employees to donate to organizations addressing social issues. Recipient organizations are nominated by employees and decided by a selection committee made up of volunteers. In fiscal 2018 about 615 employees from 25 group companies participated in the scheme and donated to 15 social and environmental organizations dealing with children, the environment, and food. The scheme provides an opportunity for employees to take a greater interest in social issues.



#### How the QPeace Scheme Works

- 1.Employees nominate organizations they would like to support. Project members, who are employee volunteers, screen nominations and select recipients with the assistance of the secretariat.
- 2.Employees wishing to participate have donations deducted from their monthly remuneration in 100-yen units, and these donations go into the QPeace reserve.
- 3. The company matches the sum of donations in the reserve.
- 4.Donations are sent to each social/environmental organization.



# Bellmark Campaign

The Bellmark campaign originated from the desire to provide an equal education for all children in a rich and prosperous environment.

Being sympathetic to the spirit of this campaign, the Kewpie Group has cosponsored the Bellmark educational aid foundation since its beginning in 1960 and cooperated in educational support activities for participating schools, etc.

We will continue to back this campaign, which supports a wide range of social education activities.



# Kewpie Products and the Bellmark



Products displaying the Bellmark Kewpie mayonnaise and dressings carry the Bellmark.



# Easy-peel Bellmarks

On the Kewpie Tasty series, the Bellmark is positioned on the cap-seal of the dressing, making it easy to peel off along the perforations.

# Establishment of Endowed Research Department

On April 1, 2013, Kewpie established the "Food for Health" endowed research department at Ochanomizu University. This department conducts studies ranging from basic research on the roles and functions of food to developmental research into consumer applications, and aims to become a center for broad-based communication on the importance of food.

The Japanese diet is believed to be a factor behind Japan's world-leading rank in tables of average life expectancy and healthy life expectancy. Using Japanese food as a base, the endowed research department studies ways of searching for food ingredients that help prevent lifestyle diseases and identifying their mechanisms of action, and publishes its findings globally. It also suggests healthy dietary habits based on research outcomes and shares information through public seminars, etc.

Department name	Food for Health
Location	Industry-academia collaboration department, Ochanomizu University Academic Production
Endowment term	April 1, 2013 to March 31, 2020 (7 years)
Research staff	Yoshimi Kishimoto, Endowed Research Department Associate Professor Chie Taguchi, Endowed Research Department Lecturer Kazuo Kondo, Visiting Professor

Ochanomizu University

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# **Environmental Initiatives**

The Kewpie Group's business operations are only possible due to the gifts of nature, starting with our raw materials. It is our responsibility to fully consider the impact of our operations on the environment and pass on a similarly enriching environment to the next generation.

Our basic environmental policy states that the Kewpie Group will strive to consider the environment in all its activities and products, from production to sales. Based on this principle, each group company sets its own goals and engages in environmental conservation initiatives. Since fiscal 2016, our Medium-Term Business Plan has specified three guiding principles for such initiatives: making effective use of natural resources, preventing global warming, and conserving the natural environment.





# Environmental Management

We have formulated a basic environmental policy to provide guidelines for Kewpie Group companies around the globe.



# Effective Use of Resources

Our efforts to use resources effectively focus especially on recycling resources and efficient use of water resources.



# Preventing Global Warming

In order to reduce CO2 emissions, we strive to conserve energy and convert to new sources of energy throughout our operations, from procurement and production to distribution, sales and administration.



# Conservation of the **Natural Environment**

The Kewpie Forest forms a focal point for our efforts to conserve the natural environment.



# Environmentally Friendly **Products**

We aim to create a recyclingoriented society, especially by reducing food wastage through better containers and longer expiry period.





# Sustainability Top Message Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Environmental Management └ Effective Use of Resources Preventing Global Warming └ Conservation of the Natural Environment Environmentally Friendly Products Initiatives for **Employees** Stakeholder Engagement and Outside Evaluation Disclosure Policy Kewpie Reports **GRI Standards Content** Index History of Our Social and Environmental (CSR) Activities

# **Environmental Management**

# Approach to Environmental Conservation

Mindful of growing environmental awareness in Japan and around the world, the Kewpie Group established a basic environmental policy in December 1998, and conducts business in environmentally responsible ways. Following two rounds of revisions, the basic environmental policy—which consists of environmental principles and a code of conduct—has evolved into a global Kewpie Group policy.

# **Environmental Principles**

We strive to consider the environment in all aspects of our business and products, from production to sales.

#### Code of Conduct

- 1. We will strive to conserve resources and energy, reduce waste, promote recycling, and develop new technologies.
- 2. We will encourage environmentally responsible product development and appropriate containers and packaging.
- We will set voluntary standards for environmental conservation initiatives and establish and enhance environmental management systems capable of meeting societal demands as well as complying with relevant laws and regulations.

A United Nations summit in 2015 agreed Sustainable Development Goals (SDGs) as international objectives for achieving a sustainable world. The Paris Agreement on climate change, adopted in the same year, heightened expectations that enterprises would strive to reduce environmental burden through their business activities. The Kewpie Group has summarized our basic approach to corporate social responsibility (CSR) and set material issues for sustainability. We will develop and implement plans based on the mid- to long-term goals of the SDGs and the Paris Agreement.

- > Basic Approach to CSR
- > Material Issues for Sustainability

# Systems for Promoting Environmental Conservation

The Kewpie Group previously established an Environmental Committee consisting of environmental managers from divisions and group companies to promote group-wide environmental conservation activities.

In fiscal 2017, this committee formed the basis for the launch of a new CSR Committee, which is responsible for promoting group-wide social and environmental initiatives. Aiming to resolve material issues for sustainability, the CSR committee will address two environmental priorities: effective use of resources and sustainable procurement, and reduction of CO<sub>2</sub> emissions (to address climate change). With a view to resolving each of these issues, sub-committees will be established to consider goals and initiatives.

# Obtaining ISO14001 Certification

To provide basic tools for operating a plan-do-check-act cycle for environmental conservation activities, the Kewpie Group has introduced systems based on ISO14001 or its own equivalent standards at each of its facilities. Out of 82 production facilities in the group, 19 have obtained ISO14001 certification (as of November 30, 2018).

# Compliance with Environmental Laws and Regulations

Each Kewpie Group facility complies with environmental laws and regulations applicable in its own country or region. In fiscal 2018, there were no infringements of relevant laws or regulations, and no accidents occurred.

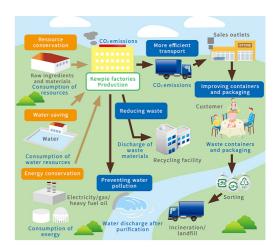
# **Environmental Audit**

The Kewpie Group sets standards for matters including compliance with relevant laws and regulations, development of management systems, and facility management, and conducts an annual internal audit to ensure that these are strictly adhered to and encourage environmental conservation activities. Facilities that have obtained ISO14001 certification are also inspected by external bodies based on that standard.

# **Environmental Impact of Business Operations**

Inputs to Kewpie Group production processes include resources such as raw ingredients, materials, and water as well as energy in the form of electricity, gas, heavy fuel oil, etc., and our production processes create industrial waste, discharge water, and emit CO2. Energy used to transport our products also has an impact on the environment, and waste is created by containers and packaging discarded after use by customers. We strive to accurately understand the impact that our business operations have on the environment, consider the sustainability of the global environment in all our activities-from product development to raw ingredient procurement, production, sales, and distribution-and engage in environmental conservation activities to conserve energy and resources, reduce waste, improve containers and packaging, make transportation more efficient, and prevent pollution.

# Energy and material flows in Kewpie Group production divisions



We strive to utilize resources effectively throughout the value chain.

# Energy and material flows in Kewpie Group production divisions (Fiscal 2018)

#### Input

Energy use	Electricity purchased	2,445,000GJ (245,669,000kWh)
	Fuel*1	1,473,000GJ
	Total energy	3,918,000GJ
Water use	Water (groundwater, piped water)	9,322,000m <sup>3</sup>

# Output

Atmospheric emissions	CO <sub>2</sub>	200,300 Tons
	NOx	37.9 Tons
	SOx	9.35 Tons
Emissions to waterways*2	Emissions	7,246,000 m <sup>3</sup>
Emissions of waste	Volume of waste (recycling rate)	60,500 Tons (95%)

<sup>\*1:</sup> Including fuel used to generate electricity

<sup>\*2:</sup> Including rivers and public sewer systems
Applicable facilities: Kewpie Group factories

# Consideration for Local Environments

Kewpie Group production facility operations consider nearby residents and local environments.

# **Preventing Water Pollution**

We have set voluntary water quality standards for discharge of water after purification in wastewater treatment facilities, and comply with standards applying in each region. We also ensure that tanks for liquid ingredients, fuel, etc. are leak-proof, and conduct exercises to prepare for the unlikely eventuality of such substances seeping into public water areas or groundwater.

#### Preventing Atmospheric Pollution

Operation of equipment such as boilers and co-generation systems is managed appropriately, and we carry out regular checks, maintenance, and smoke measurement. We are progressively shifting to fuels for boilers, etc. that emit low levels of soot, dust, and sulfur oxide.

# Controlling Noise and Odors

We deal with odors arising from wastewater treatment and cooking by improving processes and installing deodorizing equipment. To prevent noise, we install soundproof walls, conduct noise assessments when introducing new equipment, and issue instructions and guidelines to employees and contractors.



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# Effective Use of Resources

# Approaches to Effective Use of Resources in Production and **Product Design**

In terms of "effective use of resources," which is one of the three axes of our environmental activities, the Kewpie Group is engaging in initiatives related to production and product design. In the area of production, we are working on the reduction of waste products and the effective use of food residue. In the area of product design, we are working on reducing the weight of containers and packaging and simplifying them, and reducing food wastage at the distribution and consumption stages through the extension of shelf life.

# Reduction of Generated Waste

#### Waste generation reduction targets

· Total volume generated and output per unit of production volume Year-on-year reduction

The Kewpie Group is engaged in the reduction of waste generation as a top priority, through improvements in production yields in manufacturing processes and improvements in containers and packaging.

The main types of waste generated in the production plants include food residue generated in the manufacturing processes, waste plastics from packaging material losses, and the sludge remaining after the treatment of waste water in waste water treatment facilities.

In fiscal 2018, total waste generated by Kewpie Group production plants increased by 0.3% yearon-year to 60,500 tonnes. This amounted to 70.6 kg of generated waste per 1-tonne of production volume (waste intensity), a 0.1% increase on the previous year.

# Volume of waste generated\*



\* Excludes bi-products that are recycled within the Group, e.g. eggshell powders.

Figures are for Kewpie Group production plants

# Promotion of Recycling

The Kewpie Group is working toward the 100% recycling of waste products, etc. generated in our production plants (zero landfill disposal or incineration without energy recovery). This involves recycling of food residue within the Group, such as converting eggshells into fertilizer and the unused parts of vegetables into animal feed, and outsourcing of the recycling of waste products, etc.

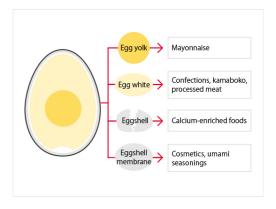
In fiscal 2018, the recycling rate was 95%. 28 of the 82 production plants in the Group achieved 100% recycling rates.

# Recycling of eggs

The Kewpie Group products a variety of processed egg products besides mayonnaise. 10% of the eggs produced in Japan are used by the Kewpie Group.

Kewpie Mayonnaise is made with the egg yolks, and the whites are used as food ingredients in processed seafood paste products such as kamaboko, and confectionery products such as cakes.

The approximately 28,000 tonnes (FY2018) of eggshells generated annually are also put to effective use in soil improvement agents, an additive for calcium-enriched foods, and other products, with 100% of eggshells being recycled. We are also working on advanced uses for eggshell membranes, such as in cosmetic products and umami seasonings.



Effective use of eggs

# Improving the taste of rice by applying eggshell fertilizer

The Kewpie Group (Japan) makes effective use of the approximately 28,000 tonnes of eggshells that it generates every year. In particular, we are actively engaged in research into ways to increase their value as fertilizer, one of the main uses of eggshells.

In fiscal 2016, we demonstrated that fertilizing paddy-field rice with eggshells can improve the physical properties and taste of the rice. These findings were presented at the 63rd Annual Meeting of The Japanese Society for Food Science and Technology and later developed into a joint research project with a university. We will now seek to elucidate the mechanisms of that taste improvement through that joint research. We are also conducting demonstration trials in the field with the cooperation of a large-scale rice farm.

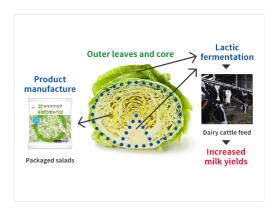


# Recycling of vegetables

The Kewpie Group is engaged in finding ways to make effective use of the unused parts of vegetables used in the processing of salads and delicatessen foods. These unused portions include the core, calyx, outer leaves, and peel. In FY2017, the cut vegetables production plant, Green Message, had success in converting leafy vegetables, such as cabbage and lettuce, into stock feed, something that had previously been considered difficult to do on a commercial scale. In a joint research project\* between Kewpie Corporation and Tokyo University of Agriculture and Technology, it was reported that dairy cattle that were fed this feed produced greater yields of milk.

We will continue to explore new ways of using the unused parts of vegetables more effectively.

\* Presented at the 124th Meeting of the Japanese Society of Animal Science (March 2018).

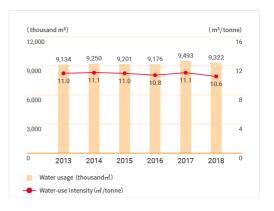


Effective use of unused parts of vegetables (e.g. cabbage)

#### Efficient use of water resources

The Kewpie Group is thoroughly committed to water conservation and the purification of waste water at each stage of manufacture. Also, in preparation for future shortages of water resources, we are introducing advanced water treatment technology and other innovations, as well as using recycled water, in the pursuit of reductions in water consumption and waste water. In fiscal 2018, the water used by Kewpie Group production plants totaled 9,322,000 m³, down 1.8% from the previous year, which amounted to 10.9 m³ per tonne of production (water-use intensity), a year-on-year decrease of 2.0%.

#### Water usage



#### Use of highly treated water

In newly built plants, as part of our efforts to build human-friendly and environmentally-friendly factories, we are engaging in water conservation with the introduction of advanced waste water treatment equipment.

#### Shunsai Deli Akishima Plant

Shunsai Deli's Akishima Plant, which began production in November 2012, has introduced equipment that uses membrane process (reverse osmosis) technology for recycling waste water from the production line. This equipment produces an average of 160 tonnes of pure water a day, which is used in various ways around the plant, including in the toilets, to water the trees in the factory grounds, wash the factory floors, spray onto the factory roof, and to cool the outdoor units of the air-conditioning system.



Hollow fiber membrane module unit



Hollow fiber membrane module unit (air diffusion)

#### Kewpie Egg Corporation Hanno Plant

At Kewpie Egg Corporation's Hanno Plant, which began production in March 2015, treated water from hollow-fiber membrane treatment equipment is purified with activated charcoal and reverse osmosis membranes, before being re-used for toilet flushing and cooling the outdoor units of the plant's freezers. The plant plans to expand the range of the reclaimed water's re-use as an energy-saving measure for its freezer outdoor units.



Activated charcoal tower



Reverse osmosis membrane unit



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# **Preventing Global Warming**

# CO<sub>2</sub> Reduction Activities throughout Value Chain

The prevention of global warming is a challenge shared by the entire globe. To reduce its emissions of carbon dioxide, the major cause of global warming, the Kewpie Group is actively engaged in a range of efforts, including energy conservation and energy conversion at all stages of the value chain, including procurement, production, distribution, sales, and office administration.

# CO<sub>2</sub> emissions in the value chain (FY2018)

Scope	CO2 Emissions (thousand tonnes of CO2 equivalent)
Scope 1 Fuel	78.7
Scope 2 Purchased power	124.6
Scope 3 Transport Category 4	34.2

Scope 1 & 2: Domestic production plants and offices

Scope 3: Two companies subject to regular reporting under the Energy Conservation Law

# Initiatives in individual divisions



# Production initiatives

We are engaged in the prevention of global warming through CO<sub>2</sub> reductions and the promotion of energy conservation.



# Logistics initiatives

K.R.S. Corporation, which is the core player in the Kewpie Group's logistics systems business, is engaged in CO<sub>2</sub> reductions and eco-friendly driving practices.



# Office initiatives

We are engaged in the reduction of environmental load through energy conservation and waste reduction efforts.



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# Production initiatives

# Reducing CO<sub>2</sub> Emissions by the Production Division

The Kewpie Group is committed to saving energy by improving the efficiency of production processes and by installing new equipment. We are converting from using Heavy Fuel Oil A to city gas and natural gas, and we are promoting the use of co-generation and solar power. We are also working to reduce CO<sub>2</sub> emissions by sharing and developing the outstanding initiatives taken by group plants.

#### CO<sub>2</sub> emission reduction targets of the production division

- · Total year-on-year reduction
- Emissions per unit of production volume: 1% year-on-year reduction

In fiscal 2018, CO<sub>2</sub> emissions from the energy used by Kewpie Group production plants totaled 200,300 tonnes, a 1.5% decrease from the previous year. CO<sub>2</sub> emissions per tonne of production (emissions per unit) totaled 234.0 kg, a 1.7% decrease from the previous year.

# CO<sub>2</sub> Emissions



Targeted plants: Kewpie Group production plants

# Coefficients used in calculating CO<sub>2</sub> volume (fixed since fiscal 2013)

Coefficients are from the Enforcement Order for the Act on Promotion of Global Warming Countermeasures (December 2002 revision); Agency for Natural Resources and Energy, "Tables of Standard Calorific Values by Energy Sources," February 2002; and Ministry of Economy, Trade and Industry and Ministry of the Environment, "Emission Coefficients by Electric Utility Operator," fiscal 2011 results).

# **Purchased electricity**

0.491kg-CO<sub>2</sub>/kWh

Heavy Fuel Oil A: 2.710kg-CO<sub>2</sub> /L

City gas (13A): 2.188kg- $CO_2/m^3$ 

 $\textbf{LPG} \hbox{:}\, 6.007 kg\hbox{-}CO_2 \diagup m^3$ 

# Conserving Energy by the Production Division

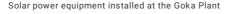
The Kewpie Group is promoting energy conservation in a number of ways. We are visualizing energy use at production facilities by installing energy measurement devices at each stage of production. We are also improving the operation of equipment, performing comprehensive maintenance, and are installing energy saving equipment at all group companies.

In fiscal 2018, energy use at Kewpie Group production plants was equivalent to 3,918,000 GJ, a decrease of 1.5% from the previous year. Energy use per 1-tonne of production Volume (usage intensity) was equivalent to 4.58 GJ, a decrease of 1.7% from the previous year.

# Making Use of Renewable Energy

The Kewpie Group began to promote renewable energy by installing a solar power system at the K.R.S. Corporation's Matsudo sales office and Itami third sales office in March 2013. This system is now installed at 10 facilities, and it generates 4,500 MWh in electricity, about 2% of the electricity used by group production divisions (as of November 2018). At Aohata Corporation, a heat exchange cooling system using underground cold heat has been in operation since 2005.







Installation of solar power generation by the Kewpie Group

Logistics initiatives

Office initiatives



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# Logistics initiatives

# Reducing CO<sub>2</sub> Emissions by the Distribution Division

The Kewpie Group is collaborating with business partners and group companies to reduce the environmental burden of all transport and delivery from the transportation of raw materials to the delivery of products.

In fiscal 2018, we were able to reduce CO2 emissions associated with transportation and delivery.

# Kewpie

	FY2017	FY2018	Year-on-year comparison
Transport volume (1,000 tonne-km)	154,240	144,842	93.9%
CO <sub>2</sub> emissions (tonnes)	24,956	23,220	93.0%

	FY2017	FY2018	Year-on-year comparison
Transport volume (1,000 tonne-km)	50,873	51,992	102.0%
CO <sub>2</sub> emissions (tonnes)	10,729	10,945	102.0%

<sup>\*</sup> These two companies are reported as regular reporting companies under the Act on Rationalizing Energy Use.

# Kewpie Egg Corporation

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# **Promoting Greater Transportation Efficiency**

We are working to improve transportation efficiency by shortening delivery distances and by improving the efficiency of delivery lots (load efficiency).

- · Optimizing production facilities to delivery areas
- · Reducing delivery frequency by improving transport and delivery lot efficiency
- · Controlling relay transport
- · Controlling the use of external warehouses by optimizing product inventories

# Reducing CO<sub>2</sub> Emissions as a Freight Carrier

K.R.S. Corporation, a major food distribution company in Japan, is responsible for the storage and delivery of Kewpie Group Products. The company uses an empty vehicle management system to reduce the number of empty vehicles and is improving load efficiency through combined deliveries. The company is also improving efficiency through the joint development with manufacturers of flexible vehicles (FCD3+1) where the cargo space can be adjusted to handle up to three temperatures (room temperature, chilled, and frozen).



Flexible vehicles improve the efficiency of combined

# **Promoting Green Driving**

We began to install digital tachographs\* in vehicles in 2004. Currently more than 90% of transportation vehicles are furnished with such devices. Evaluation data from digital tachographs are used to instruct drivers, strengthen safe driving, prevent accidents, and improve driving behavior and fuel efficiency.

\*Digital tachographs are driving recorders that can record such data as distance, time, speed, and temperature.

# **Achieving Modal Shifts**

We acquired eight exclusive-use 31-foot containers and are promoting modal shifts\*1 in coordination with freight carriers. Our modal shift ratio\*2 was 16% in fiscal 2015, 31% in fiscal 2016, 40% in fiscal 2017, and 41% in fiscal 2018.

- \*1Modal shift: Shifting long-haul trucking of 500 km or more to containers via railroads and ships.
- $^{\star}2\!\text{Modal}$  shift ratio: Ratio of tonnes shipped by railroads and ships to total tons shipped 500 km or more.





We acquired six 31-foot containers for rail and ship transport and are promoting modal shifts in coordination with freight carriers.

Change in the modal shift ratio

**Production initiatives** 

Office initiatives



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# Office initiatives

# Reducing CO<sub>2</sub> emissions by offices

Having completed Sengawa Kewport in October 2013, the Kewpie Group is proceeding to consolidate and transfer its offices centering on the head office and the research division. We have adopted energy saving designs and equipment, are collaborating between offices to share know-how on achieving the best energy saving performance, and are making ongoing operational facility improvements.

# Initiatives at the Shibuya office

The Shibuya office (Shibuya Toyu Building) of the Kewpie Group has a double-skin glass facade that achieves a high degree of thermal insulation from natural ventilation between the glass layers. The office has installed highly efficient air conditioners, LED lighting, and other energy saving equipment.

Through such environmental designs, the Shibuya office building has been given an overall rating of A by the Comprehensive Assessment System for Built Environment Efficiency (CASBEE). In addition, the building has been designated a project for receiving interest subsidies to promote green financing.\*1

Lights are turned off at the Shibuya office at 6:30 p.m. to reduce the electricity used in lighting, heating, and cooling. To promote *Kenko Keiei* (business management based on the health of the company and its employees)\*2, employees are encouraged to use stairs instead of elevators. Going forward, we will work to achieve the best design performance in coordination with Sengawa Kewport.



The double-skin glass facade of the Shibuya office.

- \*1 Project for receiving interest subsidies to promote green financing: These are projects selected through a public offer by the Ministry of the Environment to receive a subsidy for part of the interest paid on the financing of capital expenditures addressing global warming.
- \*2 Kenko Keiei is a program promoted by and a registered trademark of the Workshop for the Management of Health on Company and Employee.

#### Optimal Utilization of Air Conditioners with AI

Energy saving features of Sengawa Kewport include air wells providing natural ventilation, a co-generation system, solar power generation, and LED lighting. To maximize the performance of energy saving design, we are deepening our collaboration with equipment makers and are surveying many employees at Sengawa Kewport to operate energy saving equipment more precisely. With help from Hitachi, ltd., Kewpie has used cloud-based AI to analyze and implement optimal operational patterns based on weather forecast data and the operating status of air-conditioning systems (coolers, heat pumps, gas boilers and cogeneration power generation systems). Compared with before the system was introduced, the amount of energy used by air-conditioning systems (crude oil conversion) has been reduced by 11-12% during the summer and winter seasons, and by 37% during the spring. We aim to further optimize the systems further with AI.



Natural ventilation system

# Initiatives of Group Companies

Energy saving measures taken at the head office building of K.R.S. Corporation include sensors that automatically control the LED lighting of corridors. TV monitors (digital signage) display electricity usage by floor in real time. By visualizing energy use, employees are made more aware of how well energy is being conserved.



Signage displaying the amount and cost of electricity consumption by floor.

**Production initiatives** 

Logistics initiatives



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# Conservation of the Natural Environment

# Approach to Preserving the Natural Environment

The business operations of the Kewpie Group are closely tied to an abundant natural environment. Upholding the spirit of "good products begin with good ingredients," we are thankful for nature's blessings, we will endeavor to preserve a natural environment that is bountiful and biologically diverse, and we will leave future generations with a sustainable society.

# Preserving Biodiversity at Plants

Fujiyoshida Kewpie Co., Ltd., is located within a national park. Since the company is situated over a protected area and adjacent areas, we are taking initiatives to preserve nature. We keep the natural environment in the company premises in good condition and have set aside green space for nurturing water resources. We have also installed solar panels to convert the site's ample sunlight into renewable energy.

Going forward, we will evaluate and analyze the relationship between business operations and the natural environment, and we will share information with regional communities to determine and then implement needed activities.



The solar panels of Fujiyoshida Kewpie Co., Ltd.

# Kewpie Forest

In September 2007, the Kewpie Group began forest conservation activities in Kewpie Forest with the intent of conserving water sources. This forest is located at the northern foot of Mt. Fuji in Fujiyoshida City, Yamanashi Prefecture. Participants are solicited from employees and their families for tree thinning and planting activities. Participants can also enjoy walking in the forest and meals prepared with local ingredients. Starting in fiscal 2016, the third session of this endeavor, forest conservation activities were accompanied by an expert-led seminar on the natural environment and the forms of life inhabiting it. Through the seminar, participants learned about the challenges being faced by the surrounding environment. In fiscal 2018, aiming to recycle lumber from thinning, participants made wooden spoons and coasters to learn about nature's blessings and ways to make use of them.



Group photograph of participants



Participants thinning trees

# Support of the Kiritappu Wetland National Trust

Kiritappu Wetland, Japan's third largest wetland, has gained global recognition for its value and was registered as a Ramsar Convention Wetland in 1993.

The Kewpie Group offers financial support to the Kiritappu Wetland National Trust, the NPO working to preserve this vital natural environment. Since 2014, Kewpie employees have participated in conservation activities held once a year centering on the wetland.

In fiscal 2018 we constructed a wetlands wooden pathway and cut grass in the area near the manmade Hagukumi Pond\*, which was previously used as a skating rink by an elementary school located nearby the wetlands.



Constructing the wooden path



Group photo of the participants at Hagukumi Pond

\* Hagukumi Pond (fostering pond): The pond was initially scheduled to be filled in after the elementary school was closed. The Kiritappu Wetland National Trust, however, decided to preserve it since waterfowl made use of the pond. The Kewpie Group was given the right to name the pond in recognition of our support activities and from future expectations. The name Hagukumi Pond was chosen after soliciting names within the company in 2016.

A bio-survey in fiscal 2017 revealed that the pond was inhabited by babaamenbo (Gerris babai), a water strider on the red list of endangered species compiled by the Ministry of the Environment.



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# **Environmentally Friendly Products**

# Lighter, Simpler Containers and Packaging

Product containers and packaging are essential to maintaining the quality of the product and preserving its good taste, but their production consumes energy and they turn into waste after use. The Kewpie Group remains committed to simplifying and reducing the weight of containers and packaging.

# Basic policy on container and packaging selection

- · It must be suitable for use as a food container
- · It must not generate environmental pollutants
- · Strive to achieve conservation of resources and energy and eliminate multi-layered packaging
- · Improve and promote recyclability of containers and packaging
- · Strive to establish environmentally-friendly packaging technologies

# Simplification of cardboard cartons for shipment and shelf display

Cartons that are easy to open and can be displayed on store shelves as-is have been adopted for the Salad Club range as shelf-ready packaging. The internal carton has been eliminated from the conventional method of internal carton and cardboard box, leaving only the cardboard box. With this initiative, we have succeeded in reducing CO<sub>2</sub> emissions from manufacture and shipment by 76.8%.



# Reduction of Product Wastage by Extending Shelf Life

The reduction of food wastage is a global issue. Such wastage includes food products that are thrown away in homes due to their use-by dates expiring. The Kewpie Group will contribute to the reduction of food wastage by extending the shelf life of its products through improvements in manufacturing methods and containers and packaging.

# Extension of shelf life of mayonnaise

If mayonnaise is kept for a long time, the quality can deteriorate due to the effects of oxygen and other causes. Ever since Kewpie Mayonnaise was first launched, we have pursued a range of innovations in manufacturing methods and containers and packaging to increase the shelf life of the product. These innovations include the use of multi-layered containers that keep oxygen out, the introduction of the "delicious taste longrun manufacturing method," which eliminates to the greatest extent possible the oxygen dissolved in the vegetable oil, and reducing oxygen levels during manufacturing processes. We have also succeeding in improving the quality standard of Kewpie Half by changing the product formula. With these innovations, we have been able to extend the shelf life of Kewpie Mayonnaise (50 g-450 g) and Kewpie Half from the previous 10 months to 12 months.



# Extension of shelf life of packaged salads

In April 2015, Salad Club, which manufactures and distributes packaged salads, extended the shelf life of its mainstay products, shredded cabbage and mixed salad (including Big Packs) by one day. In addition to the application of Kewpie's patented "Vegetable-friendly manufacturing method" (Japanese Patent No. 4994524), this was made possible by Salad Club's ongoing efforts in its cold chain (low-temperature control), the adoption of functional packaging film, and other innovations.





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# Initiatives for Employees

Our aim is for the Group's new challenges to lead to dramatic growth. To achieve this, the active participation of employees with a diverse range of experience is essential. The way in which our diverse personnel combine their strengths, while valuing the Group's corporate philosophy, is one of the Kewpie Group's strengths and greatest characteristics. A diverse range of opinions, views, and ideas spreads throughout the Group and leads to Group cooperation. For each and every employee to continue to work with a sense of reward and to remain a group in which we can all gain a real sense of "RAKU-GYOU-KAI-ETSU," we will engage in the promotion of a kind of diversity that is true to the Kewpie Group.



- ☐ Initiatives for Diversity
- Initiatives for Human Resources Development
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Initiatives for Diversity

The Kewpie Group promotes diversity so that a wide variety of people can flourish in the Group.



Initiatives for HumanResources Development

The Kewpie Group supports career development through training and self-development programs.



# Initiatives for Healthbased Management and Occupational Health and Safety

The Kewpie Group has engaged in *Kenko Keiei* (Workshop for the Management of Health on Company and Employee) since fiscal 2016.



# Initiatives for Work Style Reform and Work-Life Balance

The Kewpie Group is engaged in the realization of a work-life balance whose major aim is for each of its employees to be able to grow and lead a rich life.



# Initiatives for New Challenges

The Kewpie Group is engaged in the development of systems for the creation of innovation and the creation of a new culture in

the form of working style innovations.



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# Initiatives for Diversity

# Approach to Diversity

With diversity as the basis of its growth, the Kewpie Group respects the individuality and willingness to grow of each of its employees around the world. The Group strives to create a corporate culture in which each employee can work to the best of their abilities.

Given the importance of each employee supporting diversity through the adoption of an understanding stance and actively engaging in dialogue, we have established the following three guidelines.

- 1.Listen to every person you work with
- 2. Actively express your own opinions and engage in lively discussion
- 3.Participate in various forums and make opportunities to interact with members you do not usually meet

# Status of measures designed to promote diversity

The promotion of diversity at the Kewpie Group aims to foster a corporate culture that accepts diversity, and to allow Group employees to leverage their potential.

In order to foster a corporate culture that accepts diversity, we are introducing a series of activities aimed at raising awareness, and are implementing work-style and other reforms, while augmenting existing programs to make it easier for each employee to work.

With the goal of realizing a Group in which employees can leverage their potential, we are promoting training activities for female managers, and implementing measures aimed at allowing all employees, including those with disabilities, senior employees, and non-Japanese employees, to work to the best of their abilities.

Female managers accounted for 7.1% of all managers in the Kewpie Group in fiscal 2018 and we target an increase in female managers at Kewpie Corporation alone rising from 8.2% in fiscal 2018 to 12% by fiscal 2021. In order to accomplish this, we are developing measures aimed at fostering the employment of women in general and promoting a shift from regional employment to general employment by introducing an employment system where promotion is not dependent on relocation.

# Fostering a corporate culture that accepts diversity

# Publication of diversity wall newspaper, Nanairo

This publication introduces the Group's thoughts

about and insights into diversity in easy-tounderstand words and illustrations.

Through distribution to offices and break areas, employees can pick up the publication for reading up about management's thoughts and comments on issues, furthering their understanding of diversity and the significance of promoting diversity.



The inaugural edition was published in July 2017. It is published and posted in the various workplaces of the Kewpie Group three times a year.

# **Diversity Seminars Held**

Kewpie holds a variety of seminars, such as about LGBT issues, led by teachers from within its organization and from outside entities in order to further the understanding and acceptance of diversity among its employees. We aim to create a corporate culture where employees can learn more about diversity, respect each other's unique traits and grow together.

# Allowing Group Employees to Leverage Their Potential

# Study Sessions for the Group's female managers

All female managers in the Group assemble together to participate in lectures given by Kewpie executives, study groups about the Company's philosophy, and working groups. The aim is to create networks for female managers and deepen their required knowledge about management positions, while giving them the confidence to contribute to the management position by exploring novel management methods and taking the next step toward their goals.

# Step-up training for young local employees

Young Group employees in other regions, including those working within limited areas and work scope, are offered selective education and training opportunities. They learn about the Group's management strategy, mission, business, and production bases, whetting their appetite for growth and gaining growth opportunities to aim for management positions and job transfers.

# **Global Training**

Overseas training has been implemented in the Asia region for mainly younger employees and mid-tier employees since fiscal 2017 in a bid to bestow employees with the ability to develop markets overseas that are necessary for the sustained growth of business and to create new businesses in countries with different cultures and backgrounds.

At overseas-related companies\*, most employees participate in local skills training courses and attend courses in Japan about the mission and specialty skills, centered on locally hired employees in management positions.

\* Total of 10 companies: 2 in the United States, 3 in China, 1 each in Thailand, Malaysia, Vietnam, Indonesia, and Poland.



Training for employees from overseas Group companies held in Japan

# Approach Toward the Employment of Persons with Disabilities

As with all its employees, the Group aims to create environments in which those with disabilities can demonstrate their individual potential as well as experience the joy of work and the purpose of life. In support of this aim, employment of persons with disabilities is not undertaken at the Group level. Instead, Kewpie and the individual Group companies in each region, including special subsidiary companies, employ such individuals independently, thereby creating diverse employment opportunities in a broad range of communities.

As of December 1, 2018, persons with disabilities accounted for 3.54% of all employees in the Kewpie Group\* in Japan (excluding the logistics systems business).

\* The Kewpie Group does not aggregate its employment figures for people with disabilities (this refers to calculating the ratio of employment of persons with disabilities by totaling up the figures for the parent company and its special subsidiary companies).

Trends in the ratio of employment for persons with disabilities (percentage of total employees as of December 1, 2018)

2014	2015	2016	2017	2018
2.50%	2.69%	3.02%	3.30%	3.54%

Subject: Kewpie Group in Japan (excluding logistics system business)

# Initiatives at Group Companies

The production plants in the Egg Products business and the Delicatessen Products business are actively promoting the employment of persons with disabilities. All of the Kewpie Egg Corporation's 26 plants around Japan are actively employing persons with disabilities, achieving an employment ratio of 6.01%. The Narita Plant's ratio of employment of persons with disabilities stood at over 15.93% as of December 1, 2018. Kewpie Ai, a special subsidiary company, promotes the employment of those with disabilities in a wide range of operations, including in-house logistics, cleaning, as well as the production and distribution of sales promotion materials.



# Sustainability > Top Message > Governance +

# CSR Topics

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Basic Approach to CSR

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Initiatives for

**Employees** 

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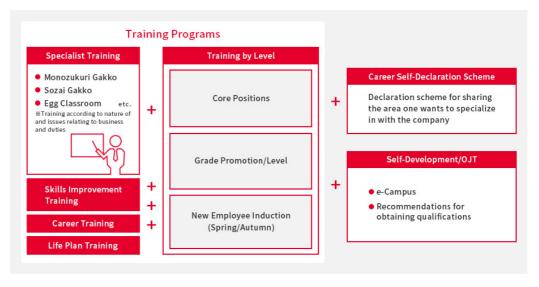
# Initiatives for Human Resources Development

# Approach to Human Resources Development

Under its corporate motto of "RAKU-GYOU-KAI-ETSU," the Kewpie Group encourages the individual growth of each of its employees in their daily activities and also supports their career development through training and self-development programs.

# Number of training participants in fiscal 2018

Organized by Human Resources Development Center	2,757
Monozukuri Gakko (Manufacturing School)	883
Sozai Gakko (Delicatessen School)	600
Organized by Kewpie Egg Corporation	391
Organized by Personnel Affairs Division	250
Total	4,881



Kewpie Career Assistance Framework

# Personnel Appraisal System That Emphasizes Process

The Kewpie Group has introduced an appraisal system that achieves both the execution of the Group's management strategies and the further growth of the individual. While emphasizing the value of daily process, we will reinforce the following three points.

- 1. Encourage the individual to take on challenges and achieve results
- 2.Expand OJT to realize a heightened sense of growth
- 3. Gain a sense of the importance of the corporate philosophy of the Kewpie Group and put them into practice

Putting into practice actions that will lead to results that are true to the Kewpie Group through Group cooperation, with this appraisal system that emphasizes process as the pivotal axis, will lead to the growth of each individual employee.

# **Award Schemes**

At Kewpie, as a way to create a culture of active challenge and learning and to assist our employees in their career development, we have established a variety of award schemes, including the Qualifications Award. We periodically review the types of qualifications and accreditations that are eligible for the Qualifications Award Outsilications Award

President's Award

Invention Award

Kewpie Research Paper Award

Kewpie Start Up Program

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# Career Support

In the Kewpie Group, in addition to encouraging individual growth by enhancing our specialist training and self-development programs, we support our employees in realizing their own careers with the Career Self-Declaration Scheme. In this scheme, employees share with the company and their supervisors their hopes and dreams for their work and the path they hope to follow. Our human resources development programs, such as the Corporate Philosophy Training program, are available to all Group employees, including part-time and contract employees.

# **Employment Data**

# Employees

		FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Regular/	Male	1,437	1,421	1,385	1,381	1,388	1,382
employees	Female	1,143	1,128	1,135	1,129	1,135	1,126
Part-time/ other	Male	271	305	314	303	270	243
(average for period)	Female	528	613	649	623	583	531
Average age	Male	41.5 years	41.7 years	41.6 years	42.2 years	42.5 years	43.0 years
uge	Female	31.9 years	32.6 years	33.4 years	34.3 years	35.2 years	35.9 years
Average years of	Male	16.1 years	16.2 years	16.3 years	16.8 years	17.1 years	17.5 years
service	Female	8.2 years	8.8 years	9.3 years	10.0 years	10.7 years	11.3 years

Figures are for Kewpie Corporation. \*Average age and average years of service are for Kewpie regular employees

# Trends in employee numbers

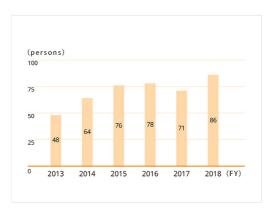
	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Number of employees	3,379	3,467	3,483	3,436	3,376	3,282
Permanent employees	2,580	2,549	2,520	2,510	2,523	2,508
Average temporary employees	799	918	963	926	853	774
Group employees	23,914	24,773	24,997	25,245	26,380	24,651
Permanent employees	12,598	12,933	13,478	14,095	14,924	14,808
Average temporary employees	11,316	11,840	11,519	11,150	11,456	9,843

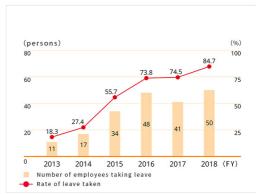
# Number of new graduate recruits

FY2	2013	FY2014	FY2015	FY2016	FY2017	FY2018
	67	55	57	41	49	50

Figures are for Kewpie Corporation career-track positions.

# Parental Leave Taken





Female employees

Male employees

Figures are for Kewpie Corporation.

- \* For men, parental leave taken is counted not in the year it was taken but in the year the child was born.
- \* Rate of leave taken: Ratio of employees who took parental leave compared to the number of employees who had a child in the year in question.
- \* Employees whose spouse gave birth in 2015 or 2016 but who took parental leave in 2017 have been added to the year in which the child was born, so the figures differ from last year's report.



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# Initiatives for Health-based Management and Occupational Health and Safety

# Group's approach to health-based management

The Kewpie Group launched a *Kenko Keiei®*\* (business management based on the health of the company and its employees, or health management) initiative in fiscal 2016. The Group's mission is to contribute to better and healthier dietary lifestyles for people around the world premised on the notions of good taste, empathy and uniqueness. Based on this mission, Kewpie pursues initiatives for the health of each and every person who works in the Group. Kewpie Corporation was awarded on February 19, 2019 with the "White 500" certification in recognition of its excellence in health and productivity management, marking the second year the Group has received certification since its launch in 2017. In the three years from fiscal 2019 we will work to further promote health awareness at Group companies and locations, including by: 1) building a health management system; 2) promoting physical health; and 3) promoting activities aimed at supporting mental health.

\* Kenko Keiei is a registered trademark of the Workshop for the Management of Health on Company and Employee.

# Creating foundations

We have introduced a healthcare system utilizing various health promotion activities based on the results of regular employee checkups. In fiscal 2019 we target a 100% rate for regular health checkups, a 100% rate for recommended secondary health checkups, and increased awareness about cancer checkups. We will also hold meetings for healthcare staff nationwide to promote rules for group healthcare management, and broaden the industrial healthcare system for the Group as a whole.

# Creating culture

We are promoting the sharing of health awareness and the enhancement of health maintenance and promotion activities.

# Participation in health improvement campaigns

The Kewpie Aohata Health Insurance Society conducts health improvement campaigns every year from May to June. Thanks to the launch of a companywide competition between business locations, 7,631 individuals, or 57% of the target, participated in the program in fiscal 2018, with about 80% of the participants achieving their goals. We will be promoting initiatives in fiscal 2019 as well, including during periods outside the established campaign period.

#### Distributing information useful for health

Kewpie in fiscal 2018 began distributing to all locations an "Information Useful for Health" publication that can be used during workplace morning meetings and monthly health committee meetings. Topics are tailored to employee interests and seasonal concerns, including bone density, mental health, and heat stroke. Presentation materials include explanatory text, with content that can be also be posted.

#### My Health Declaration

In fiscal 2016, the executives of Kewpie Corporation made personal "My Health Declarations," on the Group's Kenko Keiei intranet site, which launched in February 2016. In fiscal 2017, as well as extending this initiative to the presidents of the individual Group companies, all of the employees of the Sengawa and Shibuya Offices also posted their own "My Health Declarations." Fiscal 2018 saw "My Health Declarations" spread to all Group offices, with postings made at each location. In fiscal 2019, we completed distribution of a Declarations document containing about 9,200 My Health Declarations. We hope this effort further enhances the discussion of health.

### Dietary and exercise-related events

Some of our locations with employee cafeterias have presented commendations to employees who consume large amounts of vegetables and distribute health-related information related to food. In addition, as part of the effort promoting exercise, the locations hold exercise events, including physical ability tests, and lessons on the best way to walk, with employees and management in attendance.



Lessons on how best to walk



Physical ability test

# Approach to Occupational Health and Safety

At the Kewpie Group's production plants, safety officers, who report directly to the General Manager of the Kewpie Production Division, play a central role in our endeavors to create comfortable workplace environments, in which employees can spend a safe and healthy working life. We strive to prevent accidents and raise safety awareness mainly through the following actions.

- 1. Safety audits of all production plants (78 in Japan, 12 overseas)
- 2. Group Safety Meeting (held annually in June)
- ${\it 3.} Sharing \ of \ accident \ information \ horizontally \ across \ the \ Group$

# **Group-Wide Preventive Safety Initiatives**

The Kewpie Group has pursued preventive safety activities since 2004. Through the following three actions, we aim to lower risks to an acceptable level and to build a culture of Safety First.

- 1.Risk assessments
- 2.Education based on the Safety Education Manual
- 3.QBSS (Kewpie Blue-flag Safety Standards) inspections and rectification

Trends in occurrence of lost-time workplace accidents (tallied at end of April each year)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Lost-time accidents	13	15	12	7	17	24
Frequency rate*1	0.56	0.72	0.56	0.35	0.76	0.99
Severity rate*2	0.024	0.035	0.018	0.013	0.027	0.034

<sup>\*1</sup> Frequency rate = Number of deaths and injuries from workplace accidents / total number of actual hours worked x 1,000,000

<sup>\*2</sup> Severity rate = Number of work days lost / total number of actual hours worked x 1,000



# Sustainability Top Message Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Initiatives for **Employees**

## Initiatives for Work Style Reform and Work-Life Balance

#### Approach to Work Style Reform and Work-Life Balance

The Kewpie Group is pursuing the realization of a work-life balance through work style reform that will enable all of our employees to grow and lead rich lives.

#### Work style reforms

Beginning in fiscal 2017, each department has worked to set goals aimed at improving productivity and creating an environment in which it is easy to work as part of the company's "Work Style Reform Challenge Activities."

#### Basic measures at Kewpie (objectives set according to individual division's circumstances)

Diversity

┗ Initiatives for

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- · Set no-overtime days
- . Meetings to finish by 5:00 p.m.
- Petaptignake in խրագալնազuiries after 5:00 p.m.

Along with these basic measures, such as setting times for all lights in the office to be turned off, other measures, such as the introduction of flex-time and work-from-home, that suit the circumstances of each workplace have also been implemented, fostering an awareness and culture of the efficient use of time. As a result of these measures, overtime hours were reduced by 10.5% compared to the same period last year.

#### Flexible work styles

We are promoting the effective use of time using flexible working hours and staggered work shifts, and promoting work styles where work is not confined to a particular place and can be conducted at a satellite office or via telecommuting.

To advance this, we are improving facilities, including by installing video conferencing equipment or by loaning personal computers to those at satellite offices.

#### Improvement of office productivity

We are pursuing a range of initiatives to improve office productivity, including raising the quality of meetings, offering study sessions for computer skills, and sharing success stories among departments. To raise the quality of meetings, we are scrutinizing content and shortening meeting times, while also working to further improve their effectiveness by posting the Five Commandments of Meetings, which include passing out materials in advance, in the meeting rooms.

#### Work Style Reform Initiatives

We hold diversity seminars to raise employees' awareness for the realization of work style reform. In 2017, Takayuki Kawashima, Representative of KoDikara Nippon and Director of Fathering Japan, both non-profit organizations, spoke about "Achieving results by moving away from long working hours!!— Bosses, workplaces, and work styles in the coming era," and Tsuneo Sasaki, Representative of Sasaki Tsuneo Management Research Co., Ltd., gave a lecture on "Time management that takes advantage of diversity—Anticipating a great age of caring for the elderly."

#### Birth and parenting assistance initiatives

At Kewpie Corporation headquarters, production plants, and branches, employees returning to work after caring for children attend seminars and interviews with their supervisors before their return. We have also promoted the taking of parental leave by men, with 84.7% of male employees with new babies taking advantage of parental leave in fiscal 2018.







Child-rearing support website



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#### Initiatives for New Challenges

The Kewpie Group is actively fostering a culture for the creation of new challenges by promoting wideranging research and development of mayonnaise, dressings, and even eggs and vegetables, and pursuing systems for the creation of innovations in products and reforming working styles. While also taking advantage of outside help, we use Group cooperation to create new value and respond to the expectations of our stakeholders.

#### Kewpie Start Up Program

We have established the Kewpie Start Up Program with the aims of realizing individual employees' ideas and creating new businesses. Participants in the program have the opportunity to form networks of mentors that transcend divisions, which will help them upgrade their skills and advance their careers.

#### Ideas from the Kewpie Start Up Program

The Kewpie Group has conducted continuous research into vinegar, one of the main ingredients of mayonnaise. YOITOKI is the first product in the world to come from technologies for culturing acetic acid bacteria in large volume.

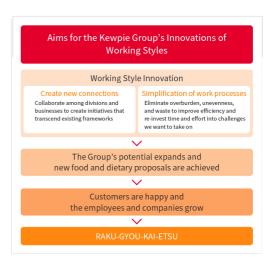


#### Complex for hands-on experiences of the appeal of vegetables

We are promoting the commercialization of the complex in Fukaya, Saitama Prefecture based on the concept of "Falling in love with vegetables." Using the Kewpie Group's knowledge of vegetables and eggs and working together with local communities, we will provide attractive content for visitors and further their appreciation of vegetables.

#### Innovations in Working Styles

The Kewpie Group is pursuing innovations in working styles with a dual focus on "creating new connections" and the "simplification of processes." In addition to raising individual productivity, by creating synergies that transcend the boundaries of departments, divisions, and companies, we will make proposals for new food and dietary ideas to customers and business partners with the aim of the growth of individuals and companies.



#### Speedy product development made possible by working style innovations

K Blanche, an alcohol disinfectant kitchen spray containing proprietary egg-derived ingredients, was launched in October 2016. Thanks to the working style that "creates new connections," a diverse range of team members were able to hold timely, lively conversations, leading to speedy product development.



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# Stakeholder Engagement and Outside Evaluation



#### Stakeholder Engagement

Our stance toward and principal means of dialog with stakeholders



#### Outside Evaluation

Third-party assessments of the Kewpie Group



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# Stakeholder Engagement

	Our commitment	Major programs (FY2018 performance
Customers	To respond to our customers' confidence by delivering safe and reliable products and putting quality first in all our activities, in keeping with the Kewpie Group Code of Conduct	<ul> <li>Customer Information (36,052 inquiries/comments)</li> <li>Kewpie Community website: "Ohanashi Dining" (12,113 members)</li> <li>Kewpie Community website: "Kewpie Mayonnaise Fan Club" (71,720 members)</li> </ul>
Employees	To respect employee rights and refrain from all forms of discrimination and harassment, in keeping with the Kewpie Group Code of Ethics; to support diversity, respecting each employee's individuality and aspirations for growth, in keeping with the Kewpie Group Code of Conduct	<ul> <li>Training interviews, including discussions regarding performance evaluations</li> <li>Career self-assessment (annual)</li> <li>Employee attitude survey (biennial)</li> <li>Executive tour of work sites (annual)</li> <li>Joint Labor-Management Committee</li> </ul>
Business partners	To engage in free and fair competition and build transparent and healthy relationships oriented to mutual growth, in keeping with the Kewpie Group Code of Ethics	Communication via operating activities Scheduled and unscheduled visits to supplier sites and on-site gettogethers (more than 200 visits per year) Initiatives with agricultural suppliers and organizations
Shareholders, investors	To build transparent and healthy relationships, in keeping with the Kewpie Group Code of Ethics; to promote better understanding of the Group among investors and shareholders	<ul> <li>General Meeting of Shareholders         (annual) (opportunity to submit         opinions in advance)</li> <li>Financial results briefings for         analysts (semiannual)</li> <li>Complimentary shareholder tour of         facilities (3 sites, semiannual)</li> </ul>
Community	Actively contribute to society, particularly through food education, and work in harmony with the local community and society as a whole, in keeping with the Kewpie Group Code of Conduct	<ul> <li>"Open Kitchen" factory tours and Mayo Terrace tours (99,417 visitors)</li> <li>"Mayonnaise Class" (food education) (14,203 participants)</li> <li>Public lectures on food topics (154 lectures)</li> <li>Nursing care events (200 events)</li> <li>Communication with local communities in each location</li> </ul>



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□ Outside Evaluation

**Outside Evaluation** 

#### **Outside Evaluation**

#### **Designations and Certifications**

#### Health and Productivity Management Outstanding Organization

On February 21, 2019, the Ministry of Economy, Trade and Industry awarded Kewpie Corporation the "White 500" certification in recognition of its health and productivity management. The marks the second year Kewpie was selected for certification under the Health and Productivity Management Outstanding Organizations Recognition Program since its launch in 2017.



#### Platinum Kurumin\*

Kewpie is a seven-time recipient of the Kurumin certification, awarded by the Ministry of Health, Labour and Welfare to companies providing outstanding support for childcare. In May 2018, Kewpie was awarded the Platinum Kurumin\* certification.

The Platinum Kurumin certification was instituted in April 2015 to recognize companies that have met and surpassed the standards for Kurumin and to encourage businesses to pursue further initiatives to support work-life balance.



#### Secures Three Stars under the Healthy Meal & Dietary Environment certification system

Kewpie applied for first round Healthy Meal & Dietary Environment certification from the Healthy Meal & Dietary Environment Consortium in the cafeteria segment, with the Sengawa Kewport complex being awarded the highest "3 star" rating.

#### Selection as ESG/SRI Index Constituent

MSCI Japan ESG Select Leaders Index\*

MSCI is a leader in research and analysis to support ESG (environmental, social, and governance) investing. The MSCI Japan ESG Select Leaders Index consists of the highest-rated ESG



#### Selection as ESG/SRI Index Constituent

#### MSCI Japan ESG Select Leaders Index\*

MSCI is a leader in research and analysis to support ESG (environmental, social, and governance) investing. The MSCI Japan ESG Select Leaders Index consists of the highest-rated ESG performers in each sector of industry, chosen from Japan's top 500 listed companies by market capitalization. Kewpie has remained a constituent stock in the index, which is selected by the Japanese Government Pension Investment Fund (GPIF) for passive tracking, since first being included in 2017.



#### MSCI Japan Empowering Women Index (WIN)\*

MSCI Japan scores Japanese companies on gender diversity and equal opportunity using multiple indicators, including employment data made public under the Act on Promotion of Women's Participation and Advancement in the Workplace. It then selects high-scoring companies from each sector for inclusion in the MSCI Japan Empowering Women Index (WIN). Kewpie has remained a constituent stock in the index, which is selected by the Japanese Government Pension Investment Fund (GPIF) for passive tracking, since first being included in 2017.



\* THE INCLUSION OF Kewpie Corporation. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Kewpie Corporation. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

#### SNAM Sustainability Index

The SNAM Sustainability Index, managed by Sompo Japan Nipponkoa Asset Management, is a proprietary active index the constituents of which are selected with an emphasis on ESG evaluations by research organizations. The index is used for weighting in SNAM Sustainable Management, which was launched in 2012. Kewpie was selected as a target for investment in fiscal 2019.



#### **Awards**

#### Kewpie wins in the 6th Food Industry Mottainai Awards

Kewpie and Green Message received the Ministry of Agriculture, Forestry and Fisheries' Food Industry Affairs Bureau's Top Award in the 6th Food Industry Mottainai Awards for promoting the recycling of unused (vegetable) resources.

#### Kewpie Dressing wins World Star Award from the World Packaging Organisation

The 180ml Kewpie Dressing container was awarded the 2019 WorldStar Packaging Award in the foods category, sponsored by the World Packaging Organisation.

2018 Excellent Green Logistics Partnership Award: Joint winner of Ministry of Land, Infrastructure, Transport and Tourism Award

Kewpie, Lion Corporation, and Japan Pallet Rental Corporation, as well as three other companies (K.R.S. Corporation, Lion Logistics, and Kanko Kisen) were jointly awarded the 2018 Excellent Green Logistics Partnership Award from the Ministry of Land, Infrastructure, Transport and Tourism.

#### Kewpie Group Shares Prime Minister's Prize in the Fiscal 2018 3Rs Awards

Kewpie and Green Message received the Prime Minister's Prize for their efforts in promoting the recycling of unused (vegetable) resources in the Fiscal 2018 3Rs (Reduce, Reuse, and Recycle) Awards.



# Sustainability Top Message + Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Initiatives for Employees Stakeholder Engagement and Outside Evaluation Disclosure Policy Kewpie Reports **GRI Standards Content** Index History of Our Social and Environmental (CSR) Activities

#### **Disclosure Policy**

#### **Basic Concept**

The Kewpie Group historically has provided stakeholders with a wide range of CSR-related information including details and results of its various social and environmental contribution activities primarily through its Social and Environmental Report.

In 2019, the Kewpie Group put together the Integrated Report 2019, which combines the Group's Social and Environmental Report and the Investors' Guide. In this manner, the Kewpie Group hopes to deepen the understanding of all stakeholders, beginning with its shareholders and investors, regarding efforts to create value over the medium to long term. The Integrated Report 2019 therefore provides an overview of the Group's business as well as comprehensive details of the strategies and plans aimed at creating corporate value.

Information related to CSR, including initiatives not included in the integrated report, will be made publicly available on our website. Our reports moving forward will be prepared in line with the GRI Sustainability Reporting Standard.

We are also providing the new Communication Book that summarizes CSR-related information in a compact and easy-to-understand format so the public in general can become more familiar with our efforts.

#### Changes in Our Reports

Fiscal 2001 -	Environmental Report
Fiscal 2005	Environmental and Social Report
Fiscal 2006 -	Social and Environmental Report
Fiscal 2019	Website, Integrated Report, Communication Book

#### Reporting Period and Covered Organizations

Reporting period: Fiscal 2018 (December 1, 2017 — November 30, 2018)

\* includes some activities conducted outside of the reporting period

Covered organizations: Kewpie Corporation, its consolidated subsidiaries and its equity-method affiliates, totaling 61 organizations

Reporting cycle: Updated each year in an annual report

Publication: June 2019

#### **Contact Information**

For additional CSR-related information, please contact us at the following: Kewpie Corporation

CSR Department, Public Relations and CSR Division

1-4-13, Shibuya, Shibuya-ku, Tokyo, Japan



# Sustainability Top Message Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Initiatives for Employees Stakeholder Engagement and Outside Evaluation Disclosure Policy Kewpie Reports **GRI Standards Content** Index History of Our Social and Environmental (CSR) Activities

#### Kewpie Reports

#### Kewpie Group Integrated Report 2019

In putting together the Integrated Report 2019, the Kewpie Group hopes to deepen the understanding of all stakeholders, beginning with its shareholders and investors, regarding efforts to create value over the medium to long term. The Integrated Report 2019 therefore provides an overview of the Group's business as well as comprehensive details of the strategies and plans aimed at creating corporate value.





#### Kewpie Group Communication Book 2019

Focusing on our efforts in material issues for sustainability, The Kewpie Group Communication Book introduces our ambitions and initiatives in an easy-to-understand format to the general public regarding issues related to society and the environment.

Kewpie Group Communication Book 2019(6.9MB)
(Japanese language only)





# Sustainability Top Message + Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Initiatives for Employees Stakeholder Engagement and Outside Evaluation Disclosure Policy Kewpie Reports **GRI Standards Content** Index History of Our Social and Environmental (CSR) Activities

## **GRI Standards Content Index**

Title

No.

This website has been created in accordance with the set of GRI (Global Reporting Initiative) Sustainability Reporting Standards 2016.

Page

ISO26000 (Core subject)

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Common	standard			
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102-1	Name of the organization	> Corporate Data	6.3.10 6.4.1 -6.4.2 6.4.3 6.4.4 6.4.5 6.8.5	Issue 8: Fundamental principles and rights at work Employment and employment relationships Conditions of work and social protection Issue 3: Social dialogue Issue 3: Employment creation and skills development
102-2	Activities, brands, products, and services	> Our Business		Same as above
102-3	Location of headquarters	> Corporate Data		Same as above
102-4	Location of operations	> Operating Sites & Group Companies		Same as above
102-5	Ownership and legal form	> Our Business		Same as above
102-6	Markets served	Principal Facilities and Equipment (Japanease site only) > Our Business > Stakeholder Engagement		Same as above
102-7	Scale of the organization	> Corporate Data		Same as above
102-8	Information on employees and other workers	> Initiatives for Human Resources Development		Same as above
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102-9	Supply chain	> Material Issues > Raw Material & Procurement Quality > Fundamental Policy for Sustainable Procurement > Supply Chain Initiatives (Japanease site only)		Same as above
102-10	Significant changes to the organization and its supply chain	Not applicable to the reporting period		Same as above
102-11	Precautionary Principle or approach	> Operational Risks (Japanease site only)  Annual Report> Corporate governance (Japanease site only)  Integrated_Report> Promotion of Corporate Governance (Japanease site only)		Same as above
102-12	External initiatives	> Outside Evaluation		Same as above
102-13	Membership of associations	> Japan Food Safety Management Association (JFSM) > Kewpie Mirai Tamago Foundation (Japanease site only)		Same as above
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102-14	Statement from senior decision-maker	Integrated_Report> Message from the President (Japanease site only) > Top Message	4.7 6.2	Respect for international norms of behaviour Organizational governance
102-15	Key impacts, risks, and opportunities	> Operational Risks (Japanease site only)		Same as above
Ethics an	d integrity			
102-16	Values, principles, standards, and norms of behavior	> Corporate Philosophy > The Kewpie Promise	4.4 6.6.3	Ethical behaviour Anti-corruption
102-17	Mechanisms for advice and concerns about ethics	Integrated_Report> Promotion of Corporate Governance (Japanease site only)		Same as above
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102-18	Governance structure	> Corporate Governance	6.2	Organizational governance

102-19	Delegating authority	Annual Report> Corporate governance structure (Japanease site only)	:	Same as above
102-20	Executive-level responsibility for economic, environmental, and social topics	Annual Report> Corporate governance structure (Japanease site only)		Same as above
102-21	Consulting stakeholders on economic, environmental, and social topics	> Basic Approach to CSR > Stakeholder Engagement Integrated_Report> Management Advisory Board (Japanease site only)		Same as above
102-22	Composition of the highest governance body and its committees	> Corporate Governance		Same as above
102-23	Chair of the highest governance body	> Corporate Governance		Same as above
102-24	Nominating and selecting the highest governance body	> Corporate Governance		Same as above
102-25	Conflicts of interest	> Corporate Governance	:	Same as above
102-26	Role of highest governance body in setting purpose, values, and strategy	> Basic Approach to CSR		Same as above
102-27	Collective knowledge of highest governance body	> Corporate Governance		Same as above
102-28	Evaluating the highest governance body's performance	> Corporate Governance		Same as above
102-29	Identifying and managing economic, environmental, and social impacts	> Material Issues > Stakeholder Engagement Integrated_Report> Management Advisory Board (Japanease site only)		Same as above
102-30	Effectiveness of risk management processes	> Corporate Governance		Same as above
102-31	Review of economic, environmental, and social topics	> Basic Approach to CSR    Integrated_Report>   Value Creation Model (Japanease site only)   Integrated_Report>   Promotion of Diversity and Initiatives in ESG (Japanease site only)		Same as above

102-32	Highest governance body's role in sustainability reporting	> Basic Approach to CSR		Same as above
102-33	Communicating critical concerns	> Corporate Governance		Same as above
102-34	Nature and total number of critical concerns	> Corporate Governance		Same as above
102-35	Remuneration policies	> Corporate Governance		Same as above
102-36	Process for determining remuneration	> Corporate Governance		Same as above
102-37	Stakeholders' involvement in remuneration	Annual Report 2018 > Compensation of Officers (Japanease site only) Proposition No. 4: Payment of Bonuses to Directors (Japanease site only)		Same as above
102-38	Annual total compensation ratio			Same as above
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Stakehold	der engagement  List of stakeholder groups	> Stakeholder Engagement > Kewpie Mirai Tamago Foundation > Activity Overview (Japanease site only)	5.3	Stakeholder identification and engagement
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		> Kewpie Mirai Tamago Foundation > Apply For Subsidies (Japanease site only)		
102-43	Approach to stakeholder engagement	> Stakeholder Engagement > Kewpie Mirai Tamago Foundation > Apply For Subsidies (Japanease site only)	5.3 4.6 6.7.6	Stakeholder identification and engagement Respect for the rule of law Issue 4: Consumer service, support, and complaint and dispute resolution
102-44	Key topics and concerns raised	> Stakeholder Engagement	5.3	Stakeholder identification and engagement
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102-45	Entities included in the consolidated financial statements	Outline of the Company (Japanease site only)	5.2	Recognizing social responsibility
102-46	Defining report content and topic Boundaries	> Material Issues		Same as above
102-47	List of material topics	> Material Issues		Same as above
102-48	Restatements of information	Not applicable to the reporting period		Same as above
102-49	Changes in reporting	Not applicable to the reporting period		Same as above
102-50	Reporting period	> Disclosure Policy		
102-51	Date of most recent report	July 3, 2019		
102-52	Reporting cycle	Annual		
102-53	Contact point for questions regarding the report	> Disclosure Policy		
102-54	Claims of reporting in accordance with the GRI Standards	> This website has been created in accordance with the set of GRI (Global Reporting Initiative) Sustainability Reporting Standards 2016.		
102-55	GRI content index	> GRI Standards Content Index		
102-56	External assurance			
103:Mana	agement Approach			

103-1	Explanation of the material topic and its Boundary	<ul><li>&gt; Basic Approach to CSR</li><li>&gt; Material Issues</li><li>&gt; Operational Risks (Japanease site only)</li></ul>	5.2	Recognizing social responsibility
103-2	The management approach and its components	> Basic Approach to CSR > Material Issues > CSR Topics > Initiatives for Society > Environmental Initiatives > Initiatives for Employees		
103-3	Evaluation of the management approach	Value Creation Model (Japanease site only) Integrated_Report> Promotion of Diversity and Initiatives in ESG (Japanease site only)		
Material 1	copics			
Economic				
201:Econ	omic Performance			
201-1	Direct economic value generated and distributed	Annual Report> Outline of the Company	6.8.1 -6.8.2 6.8.3 6.8.7 6.8.9	Community Involvement and Development principles and considerations Issue 1: Community involvement Issue 5: Wealth and income creation Issue 7: Social investment
201-2	Financial implications and other risks and opportunities due to climate change	> Operational Risks (Japanease site only)	6.5.5	Issue 3: Climate change mitigation and adaptation
201-3	Defined benefit plan obligations and other retirement plans	Annual Report> Retirement Benefits	6.8.7	Issue 5: Wealth and income creation
201-4	Financial assistance received from government			
202:Mark	et Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable to the reporting period	6.3.7 6.3.10 6.4.3 6.4.4 6.8.1 -6.8.2	Issue 5: Discrimination and vulnerable groups ssue 8: Fundamental

				principles and rights at work Issue 1: Employment and employment relationships Issue 2: Conditions of work and social protection Community Involvement and Development principles and considerations
202-2	Proportion of senior management hired from the local community	> Initiatives for Diversity	6.4.3 6.8.1 -6.8.2 6.8.5 6.8.7	Issue 1: Employment and employment relationships Community Involvement and Development principles and considerations Issue 3: Employment creation and skills development Issue 5: Wealth and income creation
203:Indir	ect Economic Impacts			
203-1	Infrastructure investments and services supported	> Initiatives for Society > Health Initiatives > Overseas Product Initiatives and Dietary Education > Kewpie Mirai Tamago Foundation > Activity Overview (Japanease site only)	6.5.9 6.8.1 -6.8.2 6.8.7 6.8.9	Issue 7: Economic, social and cultural rights Community Involvement and Development principles and considerations Issue 5: Wealth and income creation Issue 7: Social investment
203-2	Significant indirect economic impacts	Not applicable to the reporting period	6.3.9 6.6.6 6.6.7 6.7.8 6.8.1 -6.8.2 6.8.5 6.8.7 6.8.9	Issue 7: Economic, social and cultural rights Issue 4: Promoting social responsibility in the value chain Issue 5: Respect for property rights Issue 6: Access to essential services

				Community Involvement and Development principles and considerations Issue 3: Employment creation and skills development Issue 5: Wealth and income creation Issue 7: Social investment
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204-1	Proportion of spending on local suppliers		6.4.3 6.6.6 6.8.1 -6.8.2 6.8.7	Issue 1: Employment and employment relationships Issue 4: Promoting social responsibility in the value chain Community Involvement and Development principles and considerations Issue 5: Wealth and income creation
205:Anti-	corruption			
205-1	Operations assessed for risks related to corruption	Annual Report 2018 > Compensation of Officers (Japanease site only)	6.6.1 -6.6.2 6.6.3	Overview of fair operating practices principles and considerations Issue 1: Anticorruption
205-2	Communication and training about anti-corruption policies and procedures	> Code of Ethics > Establishment of Kewpie Group Anti-Bribery Basic Policy	6.6.1 -6.6.2 6.6.3 6.6.6	Overview of fair operating practices principles and considerations Issue 1: Anticorruption Issue 4: Promoting social responsibility in the value chain
205-3	Confirmed incidents of corruption and actions taken	Not applicable to the reporting period	6.6.1 -6.6.2 6.6.3	Overview of fair operating practices principles and

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206:Anti-	competitive Behavior			
206-1	Legal actions for anti- competitive behavior, anti- trust, and monopoly practices	Not applicable to the reporting period	6.6.1 -6.6.2 6.6.5 6.6.7	Overview of fair operating practices principles and considerations Issue 3: Fair competition Issue 5: Respect for property rights
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301:Mate	erials			
301-1	Materials used by weight or volume	> Environmental Management	6.5.4	Issue 2: Sustainable resource use
301-2	Recycled input materials used		6.5.4	Issue 2: Sustainable resource use
301-3	Reclaimed products and their packaging materials	> Effective Use of Resources	6.5.3 6.5.4 6.7.5	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 3: Sustainable consumption
302:Ener	ду			
302-1	Energy consumption within the organization	> Environmental Management > Preventing Global Warming	6.5.4	Issue 2: Sustainable resource use
302-2	Energy consumption outside of the organization	> Preventing Global Warming	6.5.4	Issue 2: Sustainable resource use
302-3	Energy intensity	> Production initiatives	6.5.4	Issue 2: Sustainable resource use
302-4	Reduction of energy consumption	> Preventing Global Warming	6.5.4 6.5.5	Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation

302-5	Reductions in energy requirements of products and services		6.5.4 6.5.5	Issue 2: Sustainable resource use Issue 3: Climate change mitigation and adaptation
303:Wate	r			
303-1	Water withdrawal by source	> Environmental Management > Effective Use of Resources	6.5.4	Issue 2: Sustainable resource use
303-2	Water sources significantly affected by withdrawal of water		6.5.4	Issue 2: Sustainable resource use
303-3	Water recycled and reused	> Effective Use of Resources	6.5.4	Issue 2: Sustainable resource use
304:Biodi	versity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	> Conservation of the Natural Environment	6.5.6	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats
304-2	Significant impacts of activities, products, and services on biodiversity	Not applicable to the reporting period	6.5.6	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats
304-3	Habitats protected or restored	> Conservation of the Natural Environment	6.5.6	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not applicable to the reporting period	6.5.6	Issue 4: Protection of the environment, biodiversity and restoration of natural habitats
305:Emis	sions			
305-1	Direct (Scope 1) GHG emissions	> Preventing Global Warming	6.5.5	Issue 3: Climate change mitigation and adaptation
305-2	Energy indirect (Scope 2) GHG emissions	> Preventing Global Warming	6.5.5	Issue 3: Climate change mitigation

				and adaptation
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305-4	GHG emissions intensity	> Production initiatives > Logistics initiatives	6.5.5	Issue 3: Climate change mitigation and adaptation
305-5	Reduction of GHG emissions	> Preventing Global Warming	6.5.5	Issue 3: Climate change mitigation and adaptation
305-6	Emissions of ozone- depleting substances (ODS) E		6.5.3 6.5.5	Issue 1: Prevention of pollution Issue 3: Climate change mitigation and adaptation
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	> Environmental Management	6.5.3	Issue 1: Prevention of pollution
306:Efflu	ents and Waste			
306-1	Water discharge by quality and destination	> Environmental Management	6.5.3 6.5.4	Issue 1: Prevention of pollution Issue 2: Sustainable resource use
306-2	Waste by type and disposal method	> Effective Use of Resources	6.5.3	Issue 1: Prevention of pollution
306-3	Significant spills	Not applicable to the reporting period	6.5.3	Issue 1: Prevention of pollution
306-4	Transport of hazardous waste	Not applicable to the reporting period	6.5.3	Issue 1: Prevention of pollution
306-5	Water bodies affected by water discharges and / or runoff	> Environmental Management	6.5.3 6.5.4 6.5.6	Issue 1: Prevention of pollution Issue 2: Sustainable resource use Issue 4: Protection of the environment, biodiversity and restoration of natural habitats

307:Envi	307:Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	Not applicable to the reporting period > Environmental Management	4.6	Respect for the rule of law
308:Supp	olier Environmental Assessmen	t		
308-1	New suppliers that were screened using environmental criteria	<ul> <li>&gt; Supply Chain Initiatives         (Japanease site only)</li> <li>&gt; Fundamental Policy for         Sustainable Procurement</li> </ul>	6.3.5 6.6.6	Issue 3: Avoidance of complicity Issue 4: Promoting social responsibility in the value chain
308-2	Negative environmental impacts in the supply chain and actions taken	> Material Issues > Environmental Management > Supply Chain Initiatives (Japanease site only) > Operational Risks (Japanease site only)	6.3.5 6.6.6	Issue 3: Avoidance of complicity Issue 4: Promoting social responsibility in the value chain
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401-1	New employee hires and employee turnover	> Initiatives for Human Resources Development	6.4.3	Issue 1: Employment and employment relationships
401-2	Benefits provided to full- time employees that are not provided to temporary or part-time employees	> Promotion of Diversity > Initiatives for Work Style Reform and Work-Life Balance	6.4.4	Issue 2: Conditions of work and social protection Issue 5: Wealth and income creation
401-3	Parental leave	> Initiatives for Human Resources Development	6.4.4	Issue 2: Conditions of work and social protection
402:Labo	or / Management Relations			
402-1	Minimum notice periods regarding operational changes		6.4.3 6.4.5	Issue 1: Employment and employment relationships Issue 3: Social dialogue
403:0cci	upational Health and Safety			
403-1	Workers representation in formal joint management-		6.4.6	Issue 4: Health and safety at work

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403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	> Initiatives for Health- based Management and Occupational Safety	6.4.6 6.8.8	Issue 4: Health and safety at work Issue 6: Health
403-3	Workers with high incidence or high risk of diseases related to their occupation		6.4.6 6.8.8	Issue 4: Health and safety at work Issue 6: Health
403-4	Health and safety topics covered in formal agreements with trade unions		6.4.6	Issue 4: Health and safety at work
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404-1	Average hours of training per year per employee	> Initiatives for Human Resources Development	6.4.7	Issue 5: Human development and training in the workplace
404-2	Programs for upgrading employee skills and transition assistance programs	> Initiatives for Human Resources Development	6.4.7 6.8.5	Issue 5: Human development and training in the workplace Issue 3: Employment creation and skills development
404-3	Percentage of employees receiving regular performance and career development reviews	> Initiatives for Human Resources Development	6.4.7	Issue 5: Human development and training in the workplace
405:Dive	rsity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	> Initiatives for Human Resources Development	6.2.3 6.3.7 6.3.10 6.4.3	Orgnization of making important decisions Issue 5: Discrimination and vulnerable groups ssue 8: Fundamental principles and rights at work Issue 1: Employment and employment relationships
405-2	Ratio of basic salary and remuneration of women to		6.3.7 6.3.10	Issue 5: Discrimination

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406-1	Incidents of discrimination and corrective actions taken	> Code of Ethics	6.3.1 6.3.2 6.3.6 6.3.7 6.3.10 6.4.3	Overview of human rights principles and considerations Issue 4: Resolving grievances Issue 5: Discrimination and vulnerable groups ssue 8: Fundamental principles and rights at work Issue 1: Employment and employment relationships
407:Free	dom of Association and Collec	tive Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		6.3.1 6.3.2 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.5 6.6.6	Overview of human rights principles and considerations Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 6: Civil and political rights ssue 8: Fundamental principles and rights at work Issue 3: Social dialogue Issue 4: Promoting social responsibility in the value chain

408:Child	Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	> Code of Ethics > Supply Chain Initiatives (Japanease site only)	6.3.1 6.3.2 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10 6.6.6 6.8.4	Overview of human rights principles and considerations Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 5: Discrimination and vulnerable groups ssue 8: Fundamental principles and rights at work Issue 4: Promoting social responsibility in the value chain Issue 2: Education and culture
409:Force	ed or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	> Code of Ethics > Supply Chain Initiatives (Japanease site only)	6.3.1 6.3.2 6.3.3 6.3.4 6.3.5 6.3.10 6.6.6	Overview of human rights principles and considerations Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity ssue 8: Fundamental principles and rights at work Issue 4: Promoting social responsibility in the value chain
410:Secu	rity Practices			
410-1	Security personnel trained in human rights policies or procedures	> Code of Ethics	6.3.1 6.3.2 6.3.4 6.3.5 6.6.6	Overview of human rights principles and considerations Issue 2: Human rights risk

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412:Hum	an Rights Assessment			
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412-2	Employee training on human rights policies or procedures	> Code of Ethics	6.3.1 6.3.2 6.3.5	Overview of human rights principles and considerations Issue 3: Avoidance of complicity
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		6.3.1 6.3.2 6.3.3 6.3.5 6.6.6	Overview of human rights principles and considerations Issue 1: Due diligence

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413-2	Operations with significant actual and potential negative impacts on local communities		6.3.9 6.5.3 6.8	Issue 7: Economic, social and cultural rights Issue 1: Prevention of pollution Community involvement and development
414:Supp	olier Social Assessment			
414-1	New suppliers that were screened using social criteria	> Supply Chain Initiatives (Japanease site only) > Fundamental Policy for Sustainable Procurement	6.3.1 6.3.2 6.3.3 6.3.4 6.3.5 6.4.3 6.6.1 -6.6.2 6.6.6 6.8.1 -6.8.2	Overview of human rights principles and considerations Issue 1: Due diligence Issue 2: Human rights risk situations Issue 3: Avoidance of complicity Issue 1: Employment and employment relationships Overview of fair operating practices principles and considerations Issue 4: Promoting social responsibility in the value chain

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416:Cust	omer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	> A Passion for Quality	6.7.1 -6.7.2 6.7.4 6.7.5 6.8.8	Overview of the Consumer issues principles and considerations Issue 2: Protecting consumers' health and safety Issue 3: Sustainable

				consumption Issue 6: Health
416-2	Incidents of non- compliance concerning the health and safety impacts of products and services	Not applicable to the reporting period  > Responses by the Customer Service Offices	4.6 6.7.1 -6.7.2 6.7.4 6.7.5 6.8.8	Respect for the rule of law Overview of the Consumer issues principles and considerations Issue 2: Protecting consumers' health and safety Issue 3: Sustainable consumption Issue 6: Health
417:Mark	eting and Labeling			
417-1	Requirements for product and service information and labeling	> Product Labelling > Universal Design Initiatives (Japanease site only)	6.7.1 -6.7.2 6.7.3 6.7.4 6.7.5 6.7.9	Overview of the Consumer issues principles and considerations Fair marketing, factual and unbiased information and fair contractual practices Issue 2: Protecting consumers' health and safety Issue 3: Sustainable consumption Issue 7: Education and awareness
417-2	Incidents of non-compliance concerning product and service information and labeling	Not applicable to the reporting period  > Responses by the Customer Service Offices	4.6 6.7.1 -6.7.2 6.7.3 6.7.4 6.7.5 6.7.9	Respect for the rule of law Overview of the Consumer issues principles and considerations Issue 1: Fair marketing, factual and unbiased information and fair contractual practices Issue 2: Protecting consumers' health and safety Issue 3: Sustainable consumption Issue 7: Education and awareness

417-3	Incidents of non-	Not applicable to the	4.6	Respect for the
	compliance concerning	reporting period	6.7.1	rule of law
	marketing communications	> Responses by the	-6.7.2	Overview of the
		Customer Service Offices	6.7.3	Consumer issues
				principles and
				considerations
				Issue 1: Fair
				marketing, factual
				and unbiased
				information and
				fair contractual
				practices
418:Cust	omer Privacy			
418-1	Substantiated complaints	Not applicable to the	6.7.1	Overview of the
	concerning breaches of	reporting period	-6.7.2	Consumer issues
	customer privacy and		6.7.7	principles and
	losses of customer data			considerations
				Issue 5:
				Consumer data
				protection and
				privacy
419:Soci	peconomic Compliance			
419-1	Non-compliance with laws	Not applicable to the	4.6	Respect for the
	and regulations in the	reporting period	6.7.1	rule of law
	social and economic area		-6.7.2	Overview of the
			6.7.6	Consumer issues
				principles and
				considerations
				Issue 4:
				Consumer service,
				support, and
				complaint and
				dispute resolution



# Sustainability Top Message Governance Basic Approach to CSR Material Issues **CSR Topics** Initiatives for Society Environmental Initiatives Initiatives for Employees Stakeholder Engagement and Outside Evaluation Disclosure Policy Kewpie Reports **GRI Standards Content** Index History of Our Social and Environmental (CSR) Activities

# History of Our Social and Environmental (CSR) Activities

# Timeline of Environmental Conservation, Social, and Cultural Initiatives

Year	Environmental Conservation Initiatives	Dietary Education/Social Contribution/Cultural Initiatives
1956	Began sun-drying eggshells and selling them to farms as soil conditioner	
1960		Started sponsorship of the Bellmark educational aid foundation
1961		Started Open Kitchen factory tours
1962		Began broadcasting "Kewpie Three- Minute Cooking"
1963	Started reducing waste materials as part of streamlining	
1969	Installed equipment for crushing and drying eggshells (Former Sengawa Factory)	
1971	Introduced activated sludge water treatment facilities (installed in all factories by 1975)	
1973		Launched the monthly magazine Kewpie News to spread food and health knowledge
1975		Began distributing videos on dietary life
1978		Began cosponsorship of the JCA Mothers' Chorus Festival (organized by the Japan Choral Association and the Asahi Shimbun Company)
1980		Began cosponsorship of the Naha Mothers' Chorus Festival (now the Okinawa Mothers' Chorus Festival)
1981	Began selling eggshells as source of calcium for food products (achieved by	

	developing membrane-removal technology and sold under the product name Calhope)	
1984		Started running food-themed seminars
1991	Established Environmental Issue Investigation Committee (Chair: General Manager of Production Division)	
	Processed eggshell membrane and began selling it as a raw ingredient for cosmetics	
1992	Reduced container bulk (introduced lightweight round bottle for dressings, etc.)	
1993	Established system for group companies to conduct mutual safety and environmental checks	
1997	Appointed an officer in charge of environmental management and established Environmental Measures Office	
	Reorganized environmental organizations and established Environmental Committee to include all group companies (Chair: officer in charge of environmental management)	
	Launched umami condiment using eggshell membrane as an ingredient (Product name: Ransho). Note:This product has been discontinued.	
1998	Set standards for assessing environmental impact of containers and packaging	
	Set basic principles for green purchasing, and developed and began operating guidelines for use of printer paper, etc.	
	Formulated basic policy for environmental conservation (set goals for each division and embarked on activities)	
2000	Reduced bulk of mayonnaise containers and cardboard boxes, eliminated use of packaging partitions, etc.	
	Itami Factory obtained ISO14001 certification	
	Began cosponsoring and donating to the	

	Kiritappu Wetland National Trust , an NPO	
2001	Started publishing Environmental Report	
	Goka Factory obtained ISO14001 certification	
	Developed Group Environmental Management Manual	
2002	Abolished waste incinerators at all Kewpie factories	Started Mayonnaise Classes
	Achieved 100% recycling rate for waste at Goka Factory	Established the Toichiro Nakashima Memorial endowed health food science course at graduate school of the Tokyo University of Fisheries (now Tokyo University of Marine Science and Technology)
2003	Achieved 100% recycling rate for waste at all Kewpie factories	
2004	Tosu Factory obtained ISO14001 certification	Kewpie News awarded top prize in the 4th "Excellent Material Awards concerning Consumer Education for Companies and Organizations" (organized by the National Institute on Consumer Education)
2005	Nakagawara Factory obtained ISO14001 certification	Appointed officer in charge of CSR, reorganized Environmental Measures Office into Social & Environmental Promotion Office
	Started publishing Environmental and Social Report (added information on social activities to Environmental Report)	
2006	Joined the Japanese Government's "Team Minus 6%" global warming prevention initiative	Began cosponsorship of the Shibuya Music Scramble festival
	Joined the "Container and Packaging Diet Declaration" initiative promoted by eight local governments	
	Began publishing the Social and Environmental Report (increased content relating to social contribution initiatives and published print and online versions)	
2007	Fujiyoshida Factory obtained ISO14001 certification	Began supporting food bank activities
	Started Kewpie Forest conservation activities in Fujiyoshida, Yamanashi Prefecture, in the aim of fostering water sources	Launched social and environmental blog
2008	Reduced inks used for printing on cardboard boxes from 39 colors to 18 standard colors	Launched QPeace donation-matching scheme
		Social and environmental blog won Goo

		Environmental Award (blog category)	
2009	Restructured Social & Environmental Promotion Office and Legal and Intellectual Property Office to form CSR Promotion Division and reorganized Social & Environmental Promotion Office as Social & Environmental Promotion Department		
	Introduced Toyota Prius hybrid cars into sales fleet	Established "Mayonnaise Factory" activity at the KidZania Koshien activity park	
2010		Launched "Kazoku de Wakuwaku Cooking" (exciting family cooking) classes with guest chef Kiyomi Mikuni	
2011		Won Minister of Agriculture, Forestry and Fisheries Prize in the CSR category of the 32nd Food Industry Excellent Company Award	
		Began five-year program of donations to educational support activities in areas affected by the Great East Japan Earthquake conducted by the Bellmark educational aid foundation	
2012	Restructured Social & Environmental Promotion Department and Public Relations Office to form the Public Relations and CSR Division		
		Began production and publication of picture books for children (one volume per year published until 2016)	
		Opened the Aohata Jamdeck visitor facility at the Aohata Jam Factory	
2013	Joint initiative by Kato Sangyo Co., Ltd., K.R.S. Corporation, and Kewpie to promote and expand green distribution won a Green Partnership Council special award	Established the "Food for Health" endowed research department at Ochanomizu University	
	Installed solar power generation facilities at K.R.S. Corporation's Matsudo Sales Office and Itami No. 3 Sales Office, and Kpack Co., Ltd.	Started cosponsorship of All-Japan Elementary School Dance Competition	
	Started 2nd stage of Kewpie Forest activities	Aohata Corporation entered into comprehensive partnership agreement with the Hiroshima prefectural government	
2014	Exhibited sample uses of eggshells in the Ministry of the Environment's "Fun to Share" booth at the EcoPro 2014 trade fair for eco-products	Opened Mayoterrace visitor facility at Sengawa Kewport	
	Installed solar power generation facilities at K.R.S. Corporation's Tokorozawa distribution center and Kewpie Jyozo Co., Ltd.'s Shiga Factory		

	Joined the "Container and Packaging Diet Declaration" initiative promoted by nine local governments. Showcased products with lightweight containers via a campaign run by 75 supermarkets in the Kanto region.  Began production of livestock feed for pigs from potato peel (chiefly potato skin and sprouts)		
2015	Social & Environmental Promotion Department reorganized to form the CSR Department		
	Started promoting modal shift for long- distance transport (500 km or more)		
	Extended expiry dates for some packaged salad products		
	Installed solar power generation facilities at Green Factory Center and Fujiyoshida Kewpie Co., Ltd.		
2016	Extended expiry dates for some sizes of Kewpie Mayonnaise and Kewpie Half Salad Dressing (to reduce food waste)	Signed a Shibuya Social Action Partner agreement with the municipal government of Shibuya Ward	
	Started 3rd stage of Kewpie Forest activities		
	Kewpie Kobe factory began operation based on the concept of halving energy use		
	Installed solar power generation facilities at Enshu Delica Co., Ltd.* and the Goka Factory *now the Salad Club, Inc. Enshu Factory		
2017	Staged a CSR display at the General Meeting of Shareholders		
	Established CSR Committee and restructured Environment Committee to form an organization that promotes overall CSR activities including food education and social contribution		
	Drew up CSR priorities		
	Expanded solar power generation facilities at Green Factory Center	Started Open Kitchen factory tours at Kewpie Kobe factory	
	Fujiyoshida Kewpie won Facility Excellence Award in the FY2016 Kanto Region Electricity Usage Rationalization Committee Chairman's Awards	Established the Kewpie Mirai Tamago Foundation	
	Aprons dyed with vegetable residue from factory processes (food textiles) adopted for use in Mayonnaise Classes	Kewpie Mirai Tamago Foundation convened 1st Summit on Creating Meaningful Spaces in which Children Can	

		Relax and Gain a Stronger Sense of Belonging in Regions
	Green Message Co., Ltd. started making silage from vegetable residue	
2018	Formulated Kewpie Group Fundamental Policy for Sustainable Procurement	Certified under the 2018 Health and Productivity Management Organization Recognition Program ("White 500" category for large organizations)
	Kewpie changed expiration labelling from year/month/day to year/month (on retort pouches for the Yasashii Kondate commercial nursing food series) for the first time	Certified under the Platinum Kurumin program recognizing organizations that support child-raising
	Switched from glass containers to plastic bottles for Kewpie dressing	Entered into comprehensive partnership agreement with the Hiroshima prefectural government (to engage in local production/local consumption initiatives, dietary education, health promotion, etc.)
	Reduced greenhouse gas emissions by around 20% in raw ingredient procurement, container production, and container transport)	
	Installed solar power generation facilities at Kewpie (Thailand) Co., Ltd.	
	Kewpie, Lion Corporation , and Japan Pallet Rental Corporation, three companies from different industries, launched a joint-route transportation scheme	

Covers Kewpie Corporation and the Kewpie Group