



Ticker: 2269

Sustainability Meeting

Meiji Group's Approach to Sustainability

December 17, 2019

Meiji Holdings Co., Ltd.

1. Meiji Group 2026 Vision
2. Sustainability 2026 Vision
3. Our Activities during FYE March 2020
4. Sustainability Topics

1. Change in social structure due to aging population
 - 30% of Japan's population will be 65 years or older by 2025
2. More health conscious and focused on prevention
 - Rise in diseases and disorders due to changes in lifestyle and dietary habits
3. Larger middle class all over the world
 - Rising income level in emerging countries such as China and India
4. Increasing global food problem
 - Increase in global famine, malnutrition due to food shortage, and food loss
5. Spreading antibiotic-resistant bacteria
 - Global increase in antimicrobial resistance (AMR)

Improve our corporate value over the medium- and long-terms

1. Secure an overwhelming advantage in core businesses
2. Establish growth foundation in overseas markets
3. New challenges in the health value domain

Business
Vision

To promote;

- Use external resources
- Increase productivity significantly

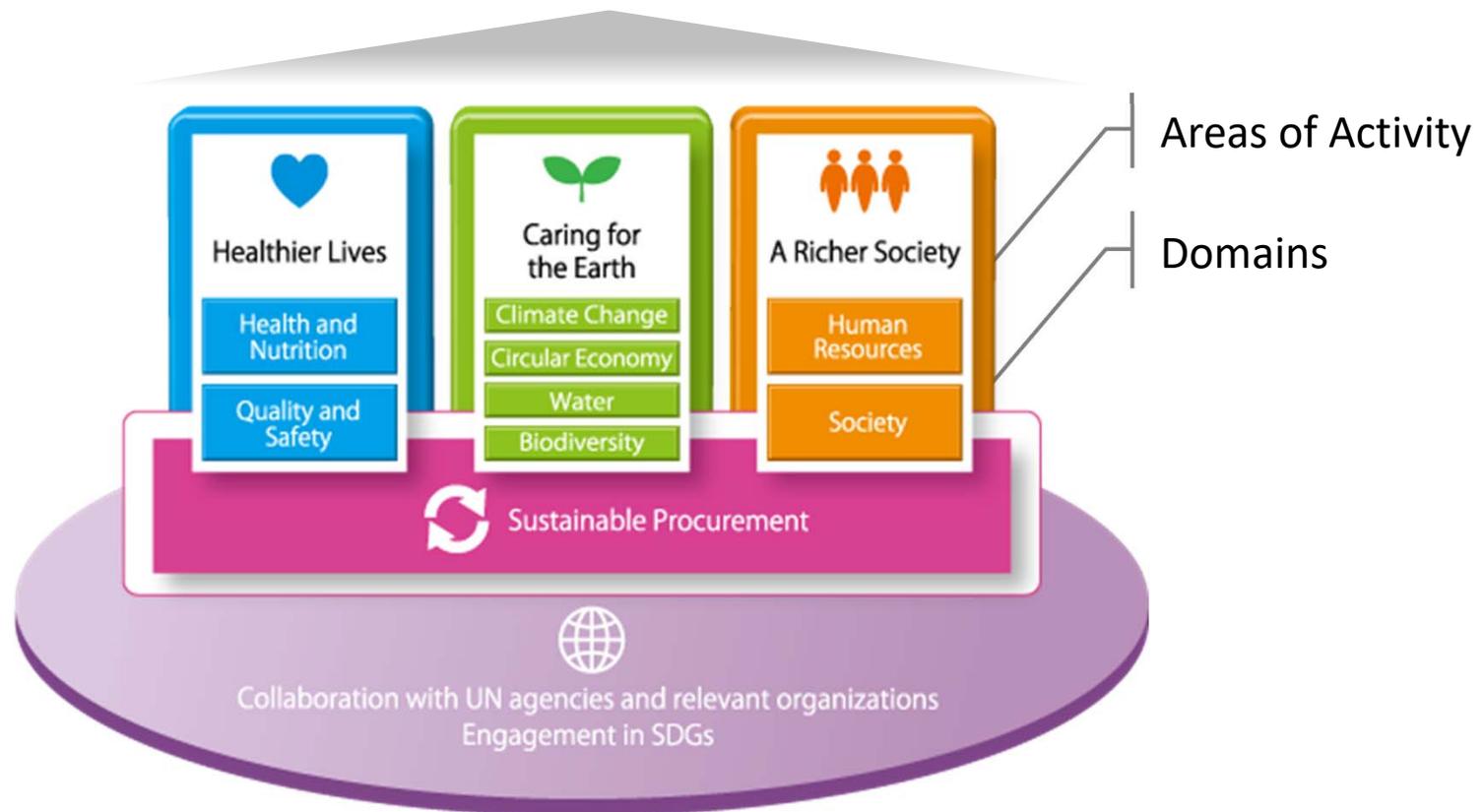
Sustainability
Vision

4. Social contributions
Set three themes to contribute to society
 - Healthier Lives
 - Caring for the Earth
 - A Richer Society

Management
Vision

- Establish functional, strategic management system to grow sustainably in Japan and globally
- Develop work environment, in-house system, organizational climate to maximize individual potential
- Enhance the Meiji brand

As Food and Health Professionals,
We Contribute to Addressing Social Issues through Our Business Activities,
and to Realizing a *Sustainable Society* for People to Live Healthy, Peaceful Lives.



Established the Group Sustainability System

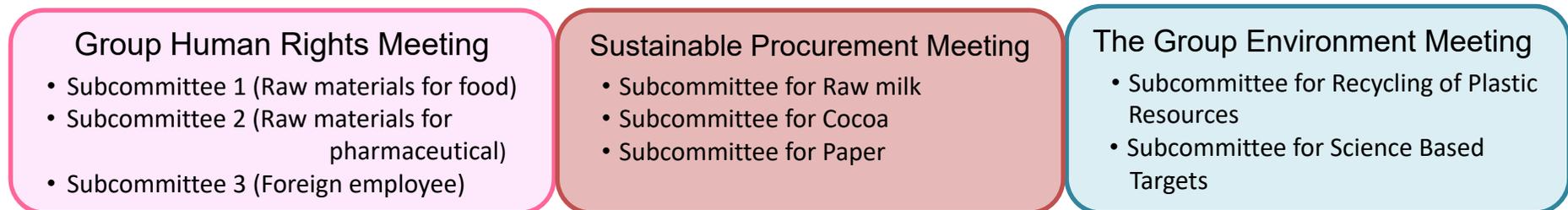


- October 2019 Established Sustainable Management Dept.
Plan and promote sustainability strategy for the Group to realize *Sustainable Society*

<Promotion System>



<meeting committee structure>



Climate Change

- Our Activities for FY 2019
 - Prepare long-term plan for solar power system introduction
Install the system in 1-2 plants/year for the next 10 years
 - Introduce solar power system in Kyushu Plant, Meiji Co., Ltd.
Start operation in March 2020
 - Replace to low emission vehicle

- Revised target for CO2 emission

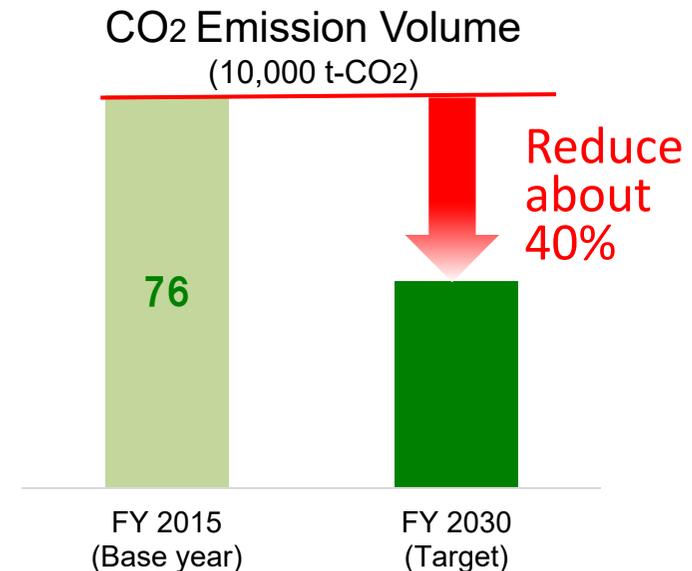
Setup global target taking into account of SBT* by FY 2030

* SBT: Science Based Targets

Concept drawing for solar power system in Kyushu Plant

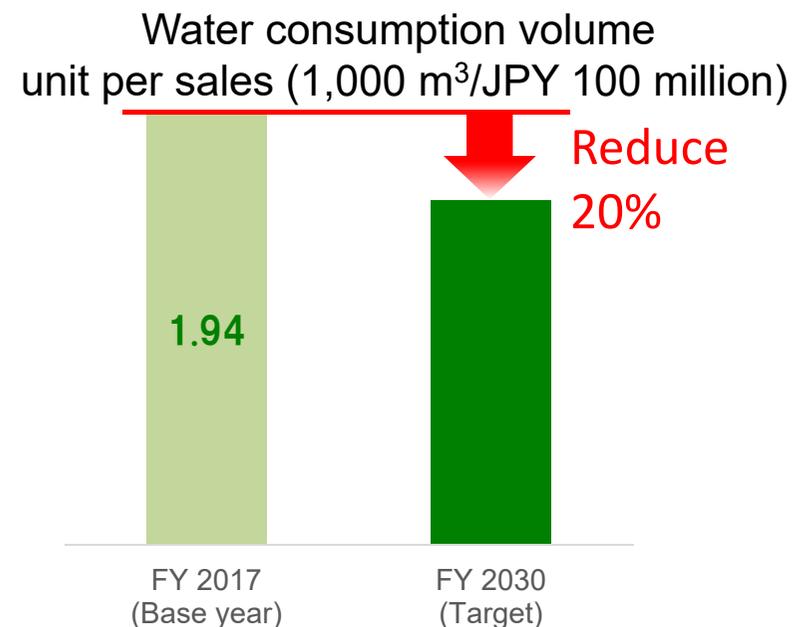


Meiji Co., Ltd. to reduce CO2 emission by 6,000 t-CO2 compare to FY 2019 and solar power generation 8.4 MW by FY 2028



- Our Activities for FY 2109
 - Discuss water consumption reduction plan
 - Discuss water risk management
 - Analyze water risk with *Aqueduct*
 - Evaluate production site by on-site survey
- Activities for FY 2020
 - Hire consultant and discuss concrete measures for water risk

- Revised target for water consumption reduction
Global target to reduce 20% of water consumption volume per unit of sales by FY 2030 compare to FY 2017



Reduce food loss

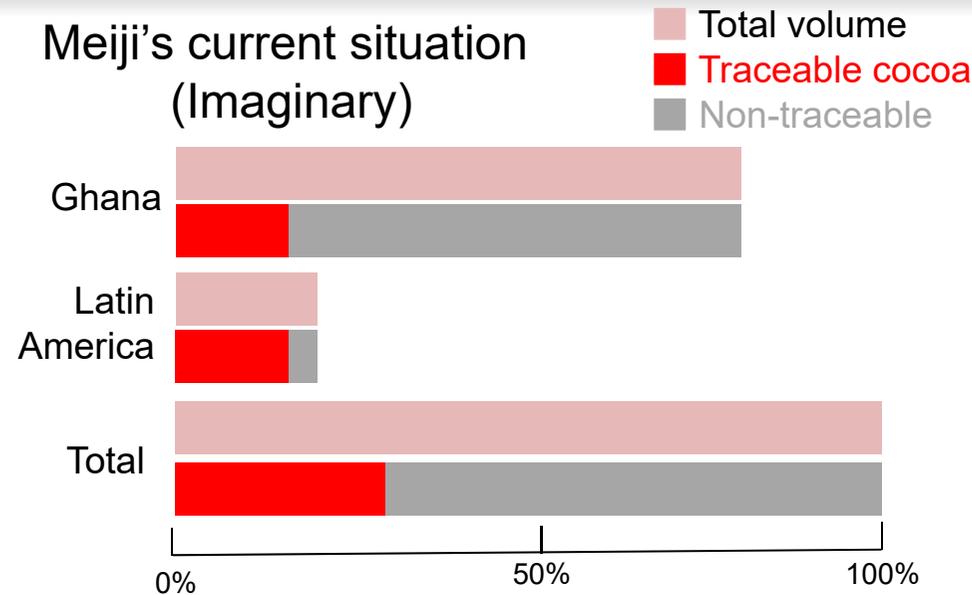
- Our activities for FY 2019
 - Work with Food Bank
 - Donate our products
 - Donate stockpile of food
 - Join the events sponsored by Food Bank
 - Switch freshness date to mm/yy from mm/dd/yy
 - Establish policy, Specify products
 - Switch newly launching products from next spring
 - Extend freshness date
 - *Meiji Oishii Gyunyuu* 900 mL
 - Work with distributors
 - Review 1/3 rule
 - Review order lead time

Plastic resource recycling

- Our activities for FY 2019
 - Setup subcommittee for plastic resource recycling and discuss concrete measures
 - Meiji uses 99% of plastic Group-wide especially yogurt package
 - Establish policy
 - Discussing concrete measures

Reduce 25% of plastic consumption volume by 2030
Use bioplastic and regenerated plastic

Using Traceable Cocoa



- Revised target Procure sustainable cocoa bean* **100%** by 2026

- Our activities for FY 2019
 - Start subcommittee for cocoa
 - Continue *Meiji Cocoa Support*
 - Work w/World Cocoa Foundation
 - Discuss *Action Plan to Protect Forestry in Cocoa Producing Countries*
 - Discuss concrete measures to procure sustainable cocoa bean*



World Cocoa Foundation



Cocoa & Forests Initiative

* Sustainable cocoa bean: Human rights and environmentally sound cocoa beans such as certified beans and traceable beans

- Our activities for FY 2019

- Acquisition of RSPO Certification (mass balance)

- Acquired and in acquiring in FY 2019

Confectionary Sakado, Tokai, Osaka Plans, and Donan Shokuhin

Ice cream Gunma, Kansai Ice cream Plants

Infant formula Gunma Nutritionals and Saitama Plants

Accelerate for the Olympic and Paralympic Games Tokyo 2020

- Start using RSPO certified palm oil

- October 2019 Sakado and Gunma Plants
- April 2020 Six others (plan)

- Targets

- Ratio of certified oil amount in FY 2019 ca. **10%**
- Ratio of certified oil amount in FY 2020 ca. **60%**



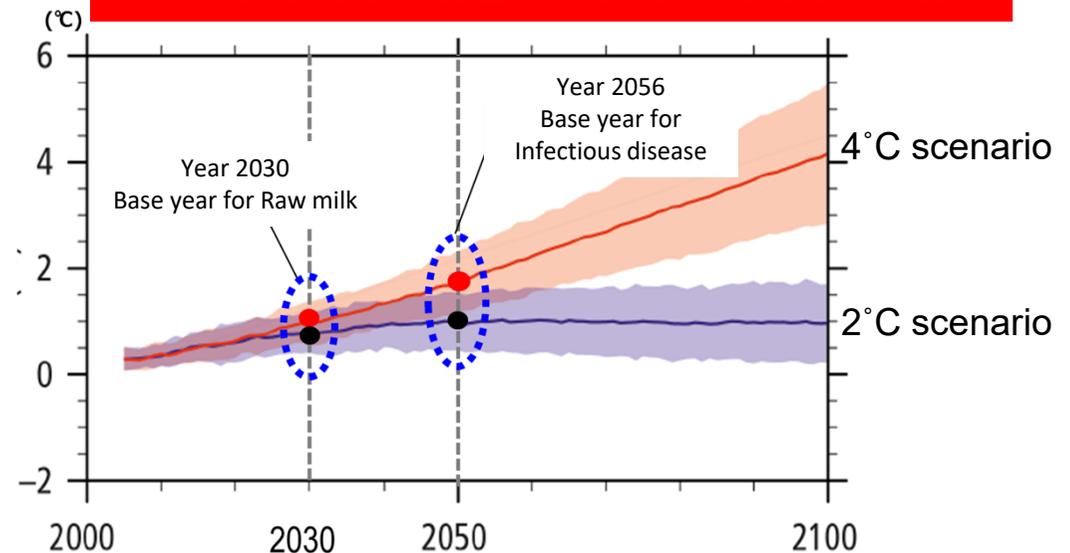
- April 2019 Signed The United Nations Global Compact
- April 2019 Joined Global Compact Network Japan
Improve our activities by using information and tools obtained through subcommittee in GCNJ
- October 2019 Joined The Climate Change Initiative
- November 2019 Agreed on the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- December 2019 Joined TCFD Consortium
Develop and share scenario analysis and quantitative analytical method with investors and companies who agreed on TCFD
Improve analysis results

Applied to TCFD scenario analysis hosted by Ministry of the Environment
 Started scenario analysis in August 2019

Target theme

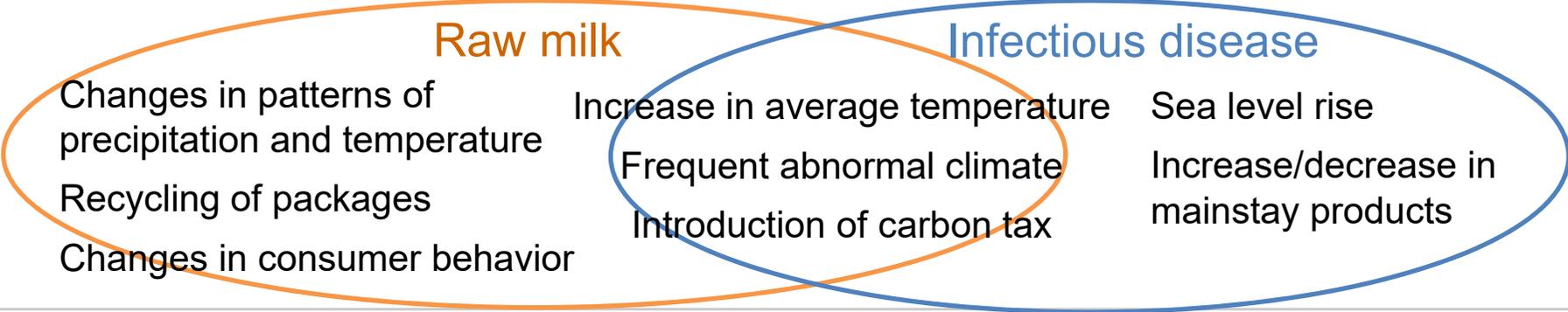
1. Raw milk
 Drinking milk, Yogurt, Infant formula, ...
2. Anti-infectious drug
 Antibacterial, Vaccine

Set scenario at 2°C and 4°C increase



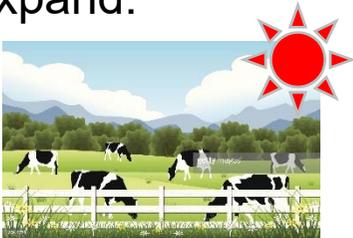
Reference: ARS SYR Figure SPM.6

Important risks



4°C/If leaving to chance...

Delaying decarbonization, risk of flood damage etc. will increase, while infectious disease market will expand.



Milk production decreases due to heat stress

Cooling cost increases



Due to natural disaster

- Increase in operating cost and logistic cost
- Possible shutdown of facilities

Decrease in operating rate of factory in water-stressed areas



Increase in mosquito-borne diseases
Increase in diarrhea such as infectious enteritis and cholera due to water pollution

2°C/If strictly regulate...

Promoting decarbonization, investors and customers become interested in environmental issues. Increase in various costs, while ethical consumerism may become popular



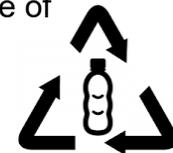
Increase in logistic cost due to introduction of carbon tax



Increase in production cost and procuring cost due to use of reclaimed materials

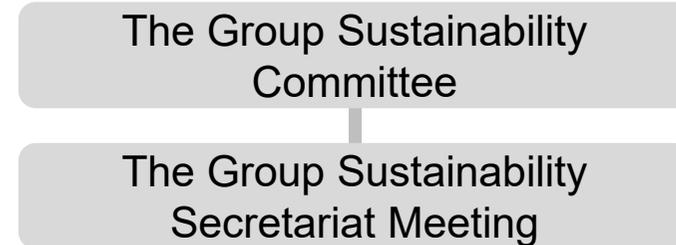


Buying more ethical products



Increase in mosquito-borne diseases
Increase in diarrhea such as infectious enteritis and cholera due to water pollution

- FY 2018
 - Assessing actual and potential human rights risks in each value chain
- July 2019
 - Setup Group Human Rights Meeting
 - Prioritize and select three themes
- FY 2020
 - Conduct a questionnaire survey on sustainable procurement



Group Human Rights Meeting

Sustainability staff of Meiji Holdings,
Meiji, Meiji Seika Pharma, KM Biologics
and related department

Raw materials for Food

- Specify six raw materials
Raw milk, Cocoa,
Paper, Palm oil,
Soy beans, and Sugar

Raw materials for Pharmaceutical

- Procurement of raw materials
- Follow UK Modern Slavery Act 2015

Foreign employee

- Reality check for
Technical intern trainee
Foreign employee

- November 2, 2019 Saturday
9:00 am to 2:00pm
- In Takeo city, Saga Prefecture
- Visited Omoyai Volunteer Center
- 19 volunteers
- Activities
Scoop fresh sand under the floor of houses suffered above floor level inundation



Forthcoming Volunteer activities

- | | |
|-----------------------|---|
| December 21, Saturday | In Nagano prefecture where hit by Typhoon #19 |
| March 2020 | Sale of disaster-stricken regional specialty at company store and provide specialty menu at cafeteria |

<The Meiji Group Founding Spirit>

Contributing to the country through nutrition

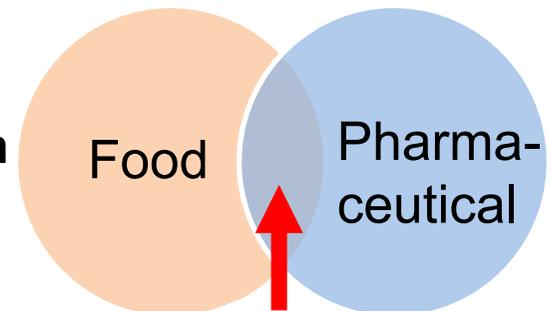


Hanji Soma, the founder of the Meiji Group

● Topics



- Sweetness
- Tastiness
- Nutrition
- Infectious Disease
- Healthiness
- Malnutrition
- Aging
- Prevention



Contribute to extend healthy life expectancy



References: Progress of Materiality in FY 2018

Health and Nutrition

Our contribution to the SDGs



Contribution to healthy diet, Solving super-aging society

Target

1. Develop products that contribute to healthy diets and a super-aged society
2. Enroll a total of **500,000** participants into nutrition and healthy diet education within three years from FY2018 to FY2020

Results of FY 2018

Health-conscious Products **47** products

Nutritional products with added value **32** products

Products for a super-aged Society **6** products

196,000 enrolled



Climate Change Our contribution to the SDGs




Water Our contribution to the SDGs




Reduce CO2 emission volume

Previous Target

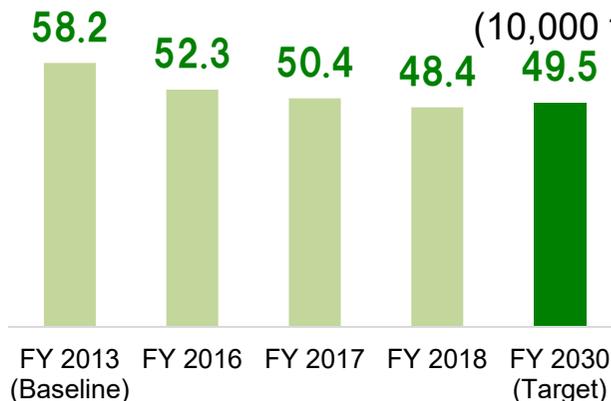
Results of FY 2018

Reduce total domestic CO2 emission volume by more than 15% compared with FY2013 baseline by FY2030

Reduced 16.8%

* The domestic Meiji Group, excluding KM Biologics

CO2 emission volume per unit of sales (10,000 t-CO2)



Secure water resources

Previous Target

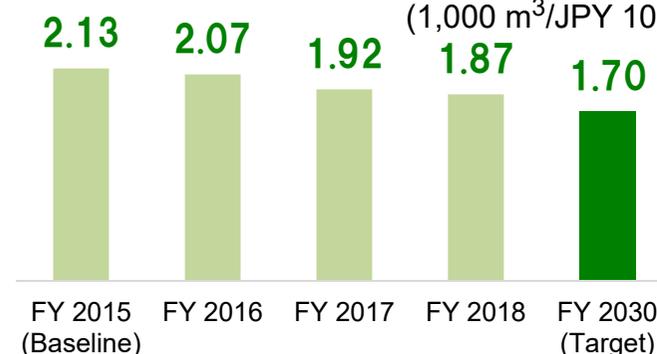
Results of FY 2018

Reduce total domestic water consumption volume by More than 20% compared with FY2015 baseline by FY 2030

Reduced 12.2%

* The domestic Meiji Group, excluding KM Biologics

Water consumption volume per unit of sales (1,000 m³/JPY 100 million)



Human Resources and Society

Our contribution to the SDGs



Promote diversity and inclusion and Development of human resources

Target

More than **10%** female managers by FY 2026

Female leaders*¹ in FY 2026

Minimum of **420** leaders

The ratio of disabled employees*²

More than **2.2%**

Respect and Promote human rights

Employees receive training on human rights **100%**

Results of FY 2018

Female managers **3.1%**

Female leaders **171** leaders

*¹ The combined total targets for Meiji HD Co., Ltd., Meiji Co., Ltd., Meiji Seika Pharma Co., Ltd. and KM Biologics Co., Ltd. alone, excluding affiliates
Leader: Manager and assistant manager

2.29%

*² The combined total targets for Meiji HD, Meiji and Meiji Seika Pharma alone, excluding affiliates

100%

Procure raw materials with consideration toward human rights and the environment

Our contribution to the SDGs



Cocoa Beans

Previous Target

Improve traceability of cocoa

Results of FY 2018

Approximately **10%** reduction in usage from previous year

Reason: Did not meet chocolate usage targets

Palm oil

Target

Use **100%** of RSPO*-certified palm oil by FY2023

* RSPO: Roundtable on Sustainable Palm Oil

Results of FY 2018

Using approximately **2%**

Results of FY 2018

Paper

Target

Use **100%** paper raw materials* from forests certified for sustainability practices (FSC[®], PEFC) and/or from recycled paper by FY2020

* Packaging paper for products manufactured domestically

55.3%

The domestic Meiji Group, excluding KM Biologics



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