

Meiji Holdings Co., Ltd.

ESG meeting

Q&A Summary

Date and time: December 17, 2019, 3:30 - 5:00 pm

Presenters:

Jun Furuta

Managing Executive Officer, PR&IR Dept. (Sustainable Management Dept.)
Member of the Board, Meiji Holdings Co., Ltd.

Shinji Matsuoka

Executive Officer, Sustainable Management Dept., Meiji Holdings Co., Ltd.
(Executive Officer, Sustainable Management Dept., Meiji Co., Ltd.)

Hisayoshi Ohba

General Manager, General Affairs Dept., Meiji Seika Pharma Co., Ltd.

- Q 1. Beverage and liquor companies are taking the lead in water resource and plastic elimination efforts in Japan. What should the Meiji Group do in those areas? And what sustainability activities unique to the Meiji Group can be implemented?
- A 1. Unfortunately, we have not addressed to our sustainability and ESG efforts unique to Meiji yet. *Nutrition* is the key when we promote sustainability activities.
- Q 2. The ratio of traceable cocoa beans produced in Ghana is lower than that of Central and South America. What can Meiji do to increase the ratio of traceable cocoa beans produced in Ghana?
- A 2. Through *Meiji Cocoa Support* we are supporting cocoa farmers in Ghana and Central and South America. Specifically, we are donating wells and mosquito nets, distributing seedlings free of charge, and cooperating with child education through art classes. We procure traceable cocoa beans from the supporting areas in Ghana. Nevertheless, the amount we procure is still not enough. We will continue to increase our procurement of traceable cocoa beans from the *Meiji Cocoa Support* areas.
- Q 3. When you promote the sustainable procurement of cocoa beans and palm oil, the procurement costs will increase. What needs to be done to ensure that consumers accept the price hike due to this cost increase?
- A 3. Although we procure certified cocoa beans and put a certification mark on products, it does not lead to added value. Unfortunately the recognition of traceable cocoa is low in Japan at present. Therefore, we should absorb such cost increase through internal efforts primarily. We would then inform customers that they were paying a premium for products made with certified cocoa beans on an industry-wide basis so that they are happy to pay for it.
- Efforts for CO₂, water, and chlorofluorocarbon (CFC) all lead to an increase in costs. There is a significant difference in whether we see these as simple cost increase or as

investment for future growth. We consider investment in sustainability to be comparable to investment in facilities and M&As. We will set and disclose a sustainability investment quota in our next medium-term business plan up to FYE March 2024.

Q 4. Supporting the dairy farm infrastructure in Japan is an important theme. What efforts is the Meiji Group considering to increase raw milk production in the future?

A 4. The efforts of Meiji Co., Ltd. will help strengthen the raw milk production infrastructure in various ways rather than the efforts by the Meiji Group. We will contribute to SDGs by promoting sustainability of the dairy farm industry. We have just begun discussions with other dairy companies, the Japan Dairy Association, and groups of dairy farmers. We will discuss specific measures accordingly.

Q 5. How much is current food waste and loss and how much do you plan to reduce them?

A 5. As a reference, we reduced food waste and loss by about 20% in FYE March 2019 compared to FYE March 2017. We are aiming to halve them as defined in the SDGs.

Q 6. The Sustainable Procurement Committee has three subcommittees, raw milk, cocoa, and paper. Give us specific details.

A 6. We have just started the Raw Milk Subcommittee. We have formulated and published the Raw Milk Procurement Guideline in October 2019. We will discuss specific initiatives to implement it successfully.

In the Cocoa Subcommittee we will consider the specific activities to achieve the 100% procurement of sustainable cocoa beans. For example, we will discuss how we can procure fair amount of certified beans and how we get guarantee from third parties that those cocoa beans are sustainable.

In the Paper Subcommittee we will consider various issues concerning paper. We started using FSC-certified paper for products on a full-scale basis from April 2019. After starting with *Meiji Oishii Gyunyuu* and *Meiji Oishii Gyunyuu low fat* in April, we have been expanding this to *Kinoko no Yama*, *Takenoko no Sato*, *Strawberry Chocolate*, and *SAVAS Milk*. We also plan to use FSC-certified paper for our brochures and business cards. We will not use copy papers from illegal logging.