



TSE code: 2269

Presentation

Meiji Group Long-term Environmental Vision



March 1, 2021

Meiji Holdings Co., Ltd.

1. Meiji Group Long-term Environmental Vision

2. ESG Investment

3. Sustainability Finance Framework

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Projected conditions in 2050

Climate Change	Global greenhouse gas emissions: Up 1.5x* Exceed Paris Agreement international goal of limiting global warming to 2°C or less
Water resources	Population without access to tap water: Over 240MN Population without basic hygienic facilities: 1.4BN
Waste	Global population increase causing Increasing waste disposal problems
Pollution	Deaths caused by particulate matter: 2x to 3.6M people/year* , mainly India and China
Biodiversity	Land-based biodiversity: Down another 10%* by 2050

*Compared to 2010

(Source) Organisation for Economic Co-operation and Development (OECD). OECD Environmental Outlook to 2050

Relation between Meiji Group and the Ecosystem

Meiji Group Operations

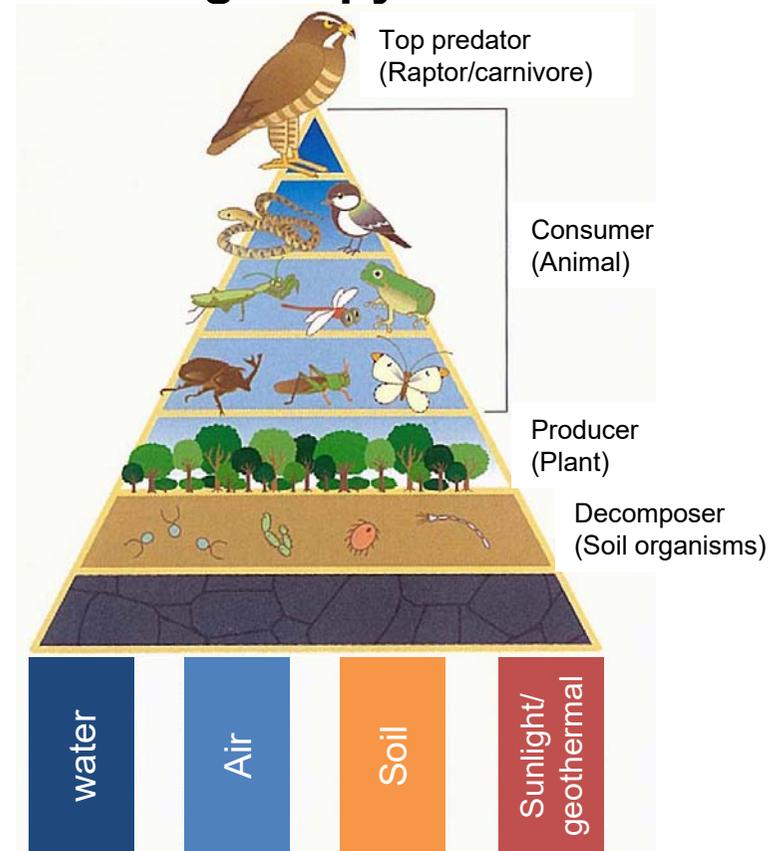
- Natural resources are critical to our management platform
- Maintaining nature's blessings is critical



Looking ahead

- Natural resources are critical to our management platform
- Maintaining the ecosystem is critical

Ecological pyramid



Source: Ecosystem Conservation Society-Japan

Maintaining the ecosystem requires sufficient natural resources such as water and air

Purpose

To reduce the environmental load associated with business for **coexisting with nature**

Meiji Group Long-term Environmental Vision Meiji Green Engagement for 2050

Commitment in our Engagement

Engagement

Dialogue

Aim for “A Healthy Future. For People. For Earth.” **Dialogue** with global environment.

Promise

Promise to maintain a healthy global environment

Desire to contribute

Contribute to realization of sustainable global environment
Employees voluntarily engage in activities

Concept Image



Four activity domains



**Climate
Change**



**Water
Resources**



**Circular
Economy**



**Pollution
Prevention**



Our goal

To become carbon neutral

Target by 2050

- Eliminate CO₂ and other greenhouse gas emissions throughout our entire supply chain by 2050 (carbon neutral)
- Use 100% renewable energy in facilities by 2050

Action plans to achieve goals by 2050

<p>Reduce CO2 emission volume</p>	<p>Reduce CO2 emissions (Scope 1,2) of the total Group</p> <ul style="list-style-type: none">- At least 23% by FY2023- At least 40% by FY2030 <p>*Compared to FY2015</p>
<p>Promoting use of renewable energy</p>	<p>Increase renewable energy</p> <ul style="list-style-type: none">- At least 15% of total power usage by FY2023- At least 50% of total power usage by FY2030 <p>for the total Group</p>

Current initiatives

Energy conservation activities to reduce CO2

Install energy-efficient devices

Top Runner* transformer



Optimize control of production facilities

Multi-meter for substations



Adopt modal shift

Use renewable energy

Install and expand use of solar panels

Santa Ana Plant of Meiji America



Use biomass energy created using methane fermentation**

Sakado Plant



Use electricity created with renewable energy

Future initiatives

- Aim for Science-Based Target (SBT) certification by FY2022
- Adopt internal carbon pricing (ICP) in FY2021
- Adopt and use next-gen technology

* Equipment with excellent energy-saving performance

**Methane fermentation processing method: Processing method that uses anaerobic (air-disliking) microorganisms break down organic matter in wastewater to transform that matter into methane gas and CO2. Methane gas is used as fuel in boilers and other facilities.

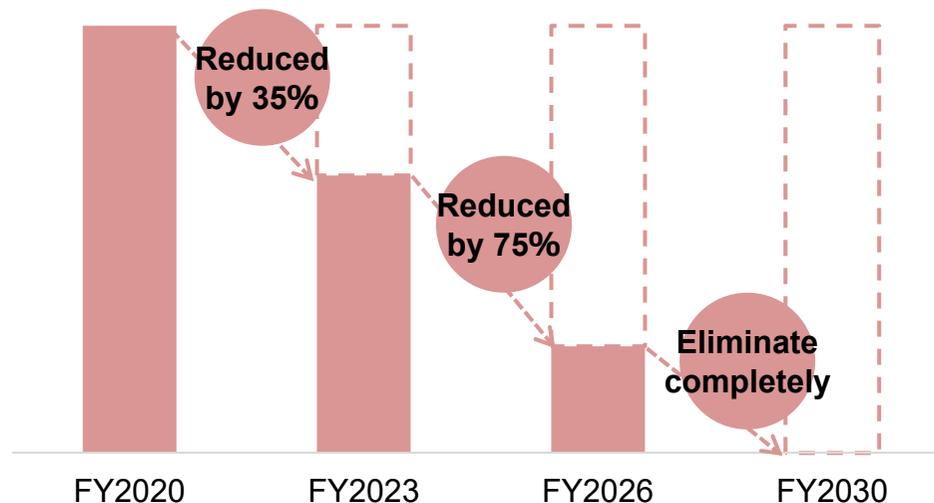
Eliminate the use of specified fluorocarbons (CFCs)

Designated CFCs in Meiji Group Japan

- Reduced by **35%*** or more by FY2023
- **Eliminate completely** by FY2030

*Compared to FY2020

Milestones for eliminating designated CFCs



Our initiatives

Currently own approx. 1500 devices containing CFCs



Replace with devices using **natural coolants** or **CFC substitutes**



Our goal

Perpetual use of limited water resources

Target by 2050

- Reduce water use intensity per unit of sales by 50% by 2050 compared with FY2017
- Restore 100% of the water used as raw material for products by 2050 (water-neutral)
- Resolve water risk in and around facilities and where we procure raw materials

Water Resources: Reduce Water Use



Action plans to achieve goals by 2050

Water usage	Reduce Group total water use (source unit)*
	<ul style="list-style-type: none">- Reduce by 10% or more by FY2023- Reduce by 20% or more by FY2030

*Compared to FY2017

Our initiatives

Reduce	Efficient use of cleaning water	Aichi Plant	
	Install water-saving equipment	Water-saving hoses (Left) Water-saving nozzles (Right)	 
	Use rainwater	Meiji Innovation Center	
Reuse	Reuse cooling water	Recycling-type coolers	

Action plans to achieve goals by 2050

Water volume regeneration	Regeneration rate for water used as product raw material <ul style="list-style-type: none">- 27% or more in FY2023- 45% or more in FY2030
Water conservation	<ul style="list-style-type: none">● Forestry conservation● Paddy field flooding● Rainwater permeation

Current initiatives

- Paddy field flooding at KM Biologics
- Approx. **18%** water regeneration planned for FY2022

Paddy field flooding in Kumamoto City



Future initiatives

- Forest conservation and new paddy field flooding on plant water sources
- Adopting rainwater permeation facilities on plant grounds

Water Resources: Respond to Water Risks

Evaluate water risks

- Investigate water risks at all production sites in Japan and overseas
- Assign response priority order

(1) Flood risk

(2) Water quality risk

(3) Drought risk

Our initiatives

Flooding risk measures

Install breakwater

Breakwater
Nihon Kanzume Co., Ltd.



Water quality risk measures

Install RO* membrane



*Reverse Osmosis Membrane: a type of filtration membrane that can separate materials and is capable of removing ions and organic substances from aqueous solutions

Future measures

Organizational

Outline business continuity plan (BCP) that addresses water risks

- Document actions during an emergency, Prioritize life-saving measures
- Select alternative production sites when plants flooding

Facilities

Propose and implement plans based on projected risk damage amount



Our goal

Transition to a circular economy

Target by 2050

- Achieve zero emissions in the manufacturing process
- Use recycled materials in containers and packaging to minimize the use of new natural capital

Current initiatives

Control production of emissions

Increase production efficiency

Reduce volume of containers and packaging

Enhance recycling

Plant and animal-based residue

Use as feed, fertilizer, methane fermentation

Containers and packaging

Recycling using recycling contractors

Future initiatives

- Develop materials suitable for recycling
- Install recycling equipment
- Use carbonization technology
- Use IT

Reduce plastic usage

Reduce domestic plastic usage by

- At least **15%** by FY2023
- At least **25%** by FY2030

*Compared to FY2017

Our initiatives

Reduce the weight of packages

Shift production lines for light weight packages

Shift to paper-based package



Functional Yogurt mini-PET bottle
13.7g→8.7g

Reuse and recycle

Reuse plastic distribution materials



Pallets



Crates

Increase use of biomass plastics and recycled plastics

Use in containers, packaging and straws

10% of biomass plastic used



Approx. 600 million straws used annually



Collaborate with business partners

Accelerate R&D for environmentally-friendly materials

Create voluntary collection scheme



Our goal

Achieve zero pollution throughout our business activities

Target by 2050

- Strive to achieve zero pollution caused by chemical substances originating from our business activities
- Strive to resolve environmental pollution-related issues throughout our supply chain

Current initiatives

Wastewater processing	Water quality management <ul style="list-style-type: none">● Set voluntary standards stricter than laws● Wastewater treatment based on active sludge treatment Adopt facilities using environmental technology <p>Two-stage for waste with larger environmental load</p>	 <p>Methane fermentation wastewater treatment facility</p>
Chemical substance management	Monitor to manage and minimize environmental waste discharge Set voluntary control standards based on international laws and regulations	

Future initiatives

- Switch to highly safe chemical substances
- Strengthen pollution prevention along entire supply chain

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Planning to Spend JPY 30bn in ESG Investment (for FY2021-2023)

Items	Details
CO ₂ emissions reduction	<ul style="list-style-type: none"> ● Upgrade, adopt Top Runner facilities with superior energy conservation ratings ● Install solar power generation equipment, etc.
Measures toward CFC-free	<ul style="list-style-type: none"> ● Install CFC-free refrigerators and freezers
Plastic volume reduction	<ul style="list-style-type: none"> ● Adopt equipment for reuse and for minimizing containers and packaging ● Adopt environmentally-friendly package and container equipment
Water source conservation	<ul style="list-style-type: none"> ● Install equipment for reusing cleaning water from production processes ● Install water quality improvement facilities and rainwater usage equipment

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Created a sustainability finance framework in January 2021

Purpose

Aggressively use sustainability financing as capital to fund activities aimed at **realizing the Meiji Group Sustainability 2026 Vision**.

Feature

Based on the four elements below defined in **the green bond principles and social bond principles** outlined by the International Capital Market Association (ICMA)

Use of Proceeds

Process for Project
Evaluation and
Selection

Management of
Proceeds

Reporting

Assessment by the third-party entity

Obtained an assessment score of **SU1(F), the highest score possible**, in the Sustainability Finance Framework Assessment conducted by the Japan Credit Rating Agency (JCR).

Sustainable procurement

- Sustainable cocoa bean procurement
- Supporting cocoa farmers (Meiji Cocoa Support)
- Developing a responsible supply chain



Caring for the Earth

- Energy efficiency and energy creation at domestic and overseas plants
- Securing and conserving domestic and overseas marine resources
- Switching to environmentally friendly packaging (plastic – paper)
- Local biodiversity conservation activities



Healthier Lives

- Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas)
- R&D and capital investments in infectious disease prevention
- R&D related to extending healthy lifespans
- Activities contributing to fostering of future generations



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