

Now ideas for wellness



Promote the Meiji ROESG[®] Management

Presentation for ESG Meeting

December 14, 2021

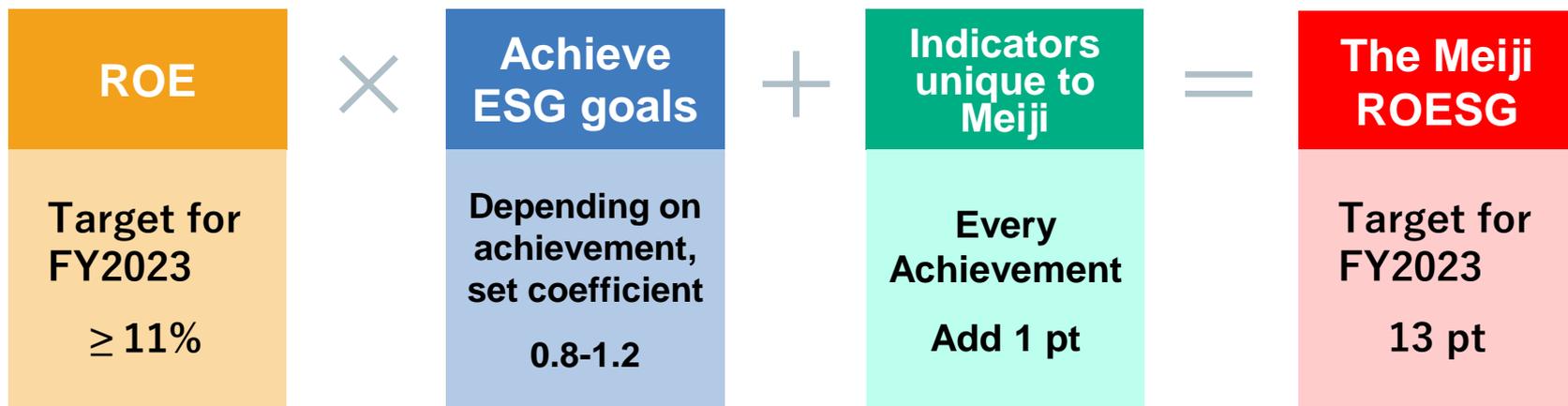
2023 Medium-Term Business Plan

Promote the Meiji ROESG^{®*} Management

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Convert business management to achieve both ROE improvement and ESG enhancement without any compromises



- MSCI
- DJSI
- FTSE4Good
- CDP
 - ▶ Climate Change
 - ▶ Water Security

1. Extend healthy life expectancy
2. Amount of protein intake
3. Vaccination rate for influenza vaccine
4. Employee engagement score
5. Sales growth rate for products that contribute to healthy diets, value-added nutrition products, products that contribute to a super-aged society
6. Success in and supply of vaccine and therapeutic agent for COVID-19

* ROESG is a registered trademark for a management indicator developed by Kunio Ito, a professor at Hitotsubashi University.

Meiji ROESG: ESG Indicators

Our ESG indicators are the combination of overall ESG evaluation and environment focused rating. We chose MSCI ESG Ratings, DJSI, and FTSE4Good, and CDP.

Evaluation indicator	FY2020	FY2021	Target for FY2023
MSCI ESG Ratings	BB	Not yet available	A
DJSI	80 th percentile	84 th percentile	90 th percentile
FTSE4Good	3.0 pt	3.0 pt	3.5 pt
CDP - Climate Change	A-	A-	A
CDP - Water Security	A-	A	A

- Improved: DJSI and CDP (Water Security) ratings
- FTSE overall score unchanged, but trends diverged between categories
 - Improved: Biodiversity and supply chain
 - Worsened: Human rights and Community

→ Amid increasing importance of environmental initiatives, overall progress in our efforts lead to higher ratings for environmental initiatives

Meiji ROESG®: Indicators unique to Meiji

We chose six indicators:

- The social issues that we particularly focus on during the 2023 Medium-Term Business Plan
- Human resources that support corporate activities

Item	Target
Extend healthy life expectancy	+1 year (compare to 2016)*1
Amount of protein intake	75g/day
Vaccination rate for influenza vaccine	60%
Employee engagement score	A*2
Sales growth rate for products that contribute to healthy diets, value-added nutrition products, products that contribute to a super-aged society	At least +10% (compared to FY2020)
Success in and supply of vaccine and therapeutic agent for COVID-19	Development and supply

- Human resources are the driver for both business and ESG.
- We are changing the way we think, thereby cultivate the organization and culture that enable both profit growth and sustainability

*1 2016 (men 72.14 yrs old/women 74.79 yrs old)

*2 2019 survey: BB

Today's agenda

- 1. Our efforts for environmental issues**
- 2. Change the way we think**
- 3. Further improve governance**

1. Our efforts for environmental issues

Our efforts for environmental issues

Meiji Group Long-Term Environmental Vision

Meiji Group Long-Term Environmental Vision

Meiji Green Engagement for 2050

Now the global environment is in a crisis. The Meiji Group is committed to achieving **coexistence with nature by engaging in global environmental issues**. Thus, we will contribute to help **realize sustainable global environment**.



Climate Change

Eliminate CO₂ and other greenhouse gas emissions throughout our entire supply chain
Become carbon neutral



Water

Reduce water use intensity per unit of sales by 50%
Restore 100% of the water used as raw material for products (Water Neutrality)



Circular Economy

Achieve zero waste in the manufacturing process
Minimize the use of natural capita



Pollution Prevention

Achieve zero pollution due to chemical substances originating from our business activities

Our efforts for environmental issues

Progress in FY2021

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✓ **Joined the Japan Climate Leaders' Partnership (JCLP) (July, 2021)**

Joined the JCLP, a group of companies dedicated to achieving a sustainable, carbon-free society

✓ **Joined RE100 (September, 2021)**

Joined the RE100, a global initiative of companies aiming to use 100% renewable energy for all electricity used

✓ **Adopted an internal carbon pricing system (October, 2021)**

Set an internal carbon price of JPY 5,000/t-CO₂ for capital investments that impact change (increase/decrease) in CO₂ emissions

✓ **Acquired SBT (Science Based Targets) certification (October, 2021)**

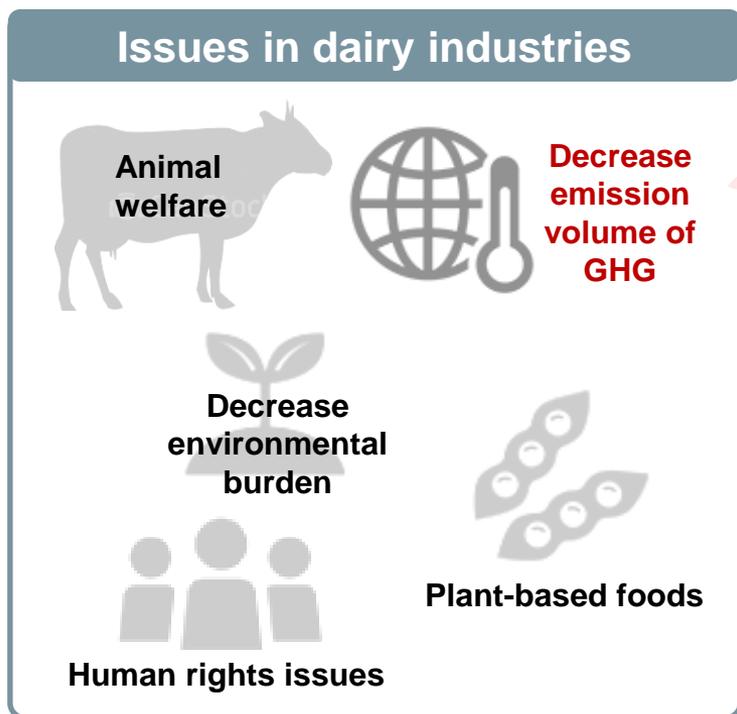
Received certification from the SBT Initiative related to our greenhouse gas reduction goals

✓ **Joined Japan Hydrogen Association (JH2A) (December, 2021)**

Joined JH2A, a group aiming to drive creation of global cooperation and hydrogen supply chain in hydrogen field

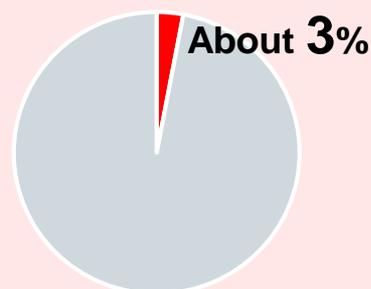
Efforts to realizing Dairy Net Zero

As a top manufacturer engaged in maximizing the value of milk, the Meiji Group aggressively supports the dairy industry's efforts to resolve social issues that our industry is facing.

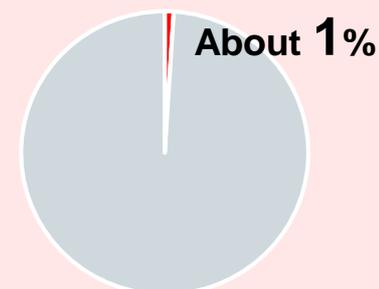


Ratio of total dairy industry greenhouse gases (GHG) including cow burp methane

Global



Japan



Dairy industry global contributions

- Jobs created by the dairy industry:
Approx. 1 billion people
- Regular dairy product consumers:
Approx. 6 billion people

Ref.: Climate change and the global dairy cattle sector, the Food and Agriculture Organization of the United Nations and the Global Dairy Platform, 2019

Options for reducing GHG emissions from the dairy sector

1. Feed and feeding management

- Increase feed efficiency by optimizing the energy and protein content in feed.
- Store more carbon in the soil by means of better grassland management.

2. Manure management

By using cow manure in biogas systems, it is possible to: reduce emissions of GHGs associated with the storage of manure; improve the quality of fertilizer and replace fossil energy sources

3. Fertilizer management (manure and commercial fertilizer)

- Lower manure application rates and the incorporation of manure into soils can reduce emissions while maintaining farm productivity.
- Use commercial fertilizer produced in an environmentally friendly way with a low carbon footprint.

4. Energy use at the farm

Reduce fossil fuel energy use and increase the use of sustainable energy, e.g. wind energy and biofuel to replace fossil energy sources.

5. Animal health and husbandry

- Improve animal and herd fertility and reproduction and increase dairy profitability.
- Keep animals healthier and thus reduce the prevalence of diseases and parasites, and increase productivity

Ref.: Climate change and the global dairy cattle sector, the Food and Agriculture
Organization of the United Nations and the Global Dairy Platform, 2019

Efforts to realizing Dairy Net Zero

Using relationships with farmers formulated through our unique support activities (Meiji Dairy Advisory: MDA), we will contribute to help realize sustainable dairy production

«Methods to suppress the methane production in cow's digestive tract»

1. Increase the milk production volume per head
2. Forage feedstuff that produce less methane
 - Increase fat content in feedstuff
 - Add calcium salt of fatty acids
3. Control microorganisms in the first stomach
 - Decrease hydrogen and formic acid that produce methane
 - Promote Propionic acid fermentation
 - Add additive that cause alternation of gut microbiota
4. Breed dairy cattle that produce less methane

Number of visits to dairy farmers through MDA

By FY2020 **948** cumulative visits



By FY2023 **Target**
More than **2,150**
cumulative visits



MDA activity example:
Improvement activities including dairy cow health check and feeding behavior check on-site

2. Change the way we think

Think of sustainability as a personal issue

Appoint meiji Brand Promotion Leaders and accelerate efforts to unify sustainability and business operation

Meiji Brand Project

meiji Brand Promotion Leader Secretariat

Chief of the secretariat (Meiji HD):
General Manager, Corporate Development Dept.,
Sustainability Management Dept.

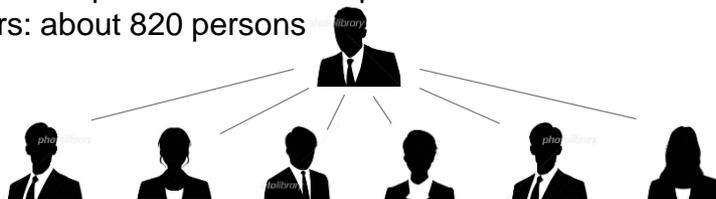
Members (Operating companies):
Corporate Development Dept., Human Resources
Dept., Sustainability Dept.

Brand Promotion Responsible person:
General Managers

Brand Promotion Leader: Managers

Responsible person: about 250 persons

Leaders: about 820 persons



«Roles for Leaders»

1. Realize *Now ideas for wellness*

- Hold meetings at work regularly
- Help change everyone's awareness at work:
Make realizing *Now ideas for wellness* everyone's issue at work
- Accelerate to realize proposals for *Now ideas for wellness* at work

2. Accelerate deeper understanding of sustainability

- Keep everyone informed about information from sustainability department routinely
- Foster mindset to contribute to the society through business operation

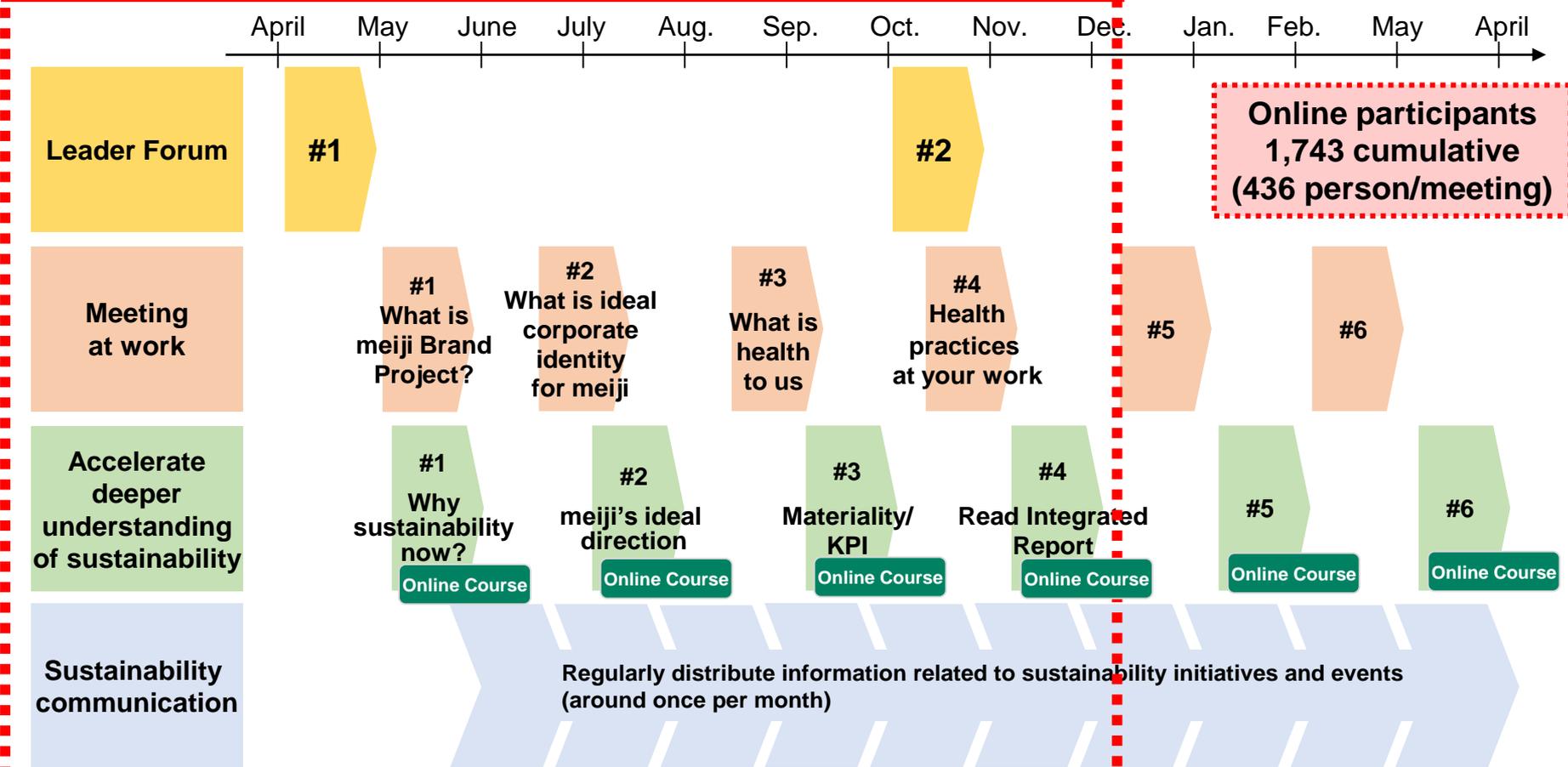
Promoting sustainable activities by meiji Brand promotion Leaders

meiji brand promotion leaders

Participate in leadership forums, Hold meetings, Accelerate deeper understanding of sustainability, and Promote sustainability communication at work

Implementation status in FY2021

FY2022



Promoting sustainable activities by meiji Brand promotion Leaders

The Meiji Group's goal in sustainable activities

The Meiji Group Integrated Report

Until FY2017

From FY2018



The Meiji Group Annual Report



The Meiji Group CSR Report

The Meiji Group Integrated Report

Integrated Report 2021

(発行目的)
財務・非財務の両面から企業の長期的にわたる価値創造について、機関投資家などに効果的に伝えるために任意で発行するもの。

(表示内容)
財務・非財務を含めた多様な情報を統合して、長期的な企業価値を顕的にまとめたもの
(発行形式・言語)
単次・日本語版・英語版
(英語版はpdf)



Distribute to Employees

Integrated goal: Meiji ROESG

Concept for 2023 Business Management Plan:
Realize the Meiji Group 2026 Vision

Realize both profit growth and sustainability activities

(統合目標)

- ✓ ROEとESGを統合した目標としてROESGに代表される指標を策定する

(考え方)

- ✓ 伊藤邦雄教授が提唱するROESGを参考にす
- ✓ 明治ならではの取組を指標に反映する



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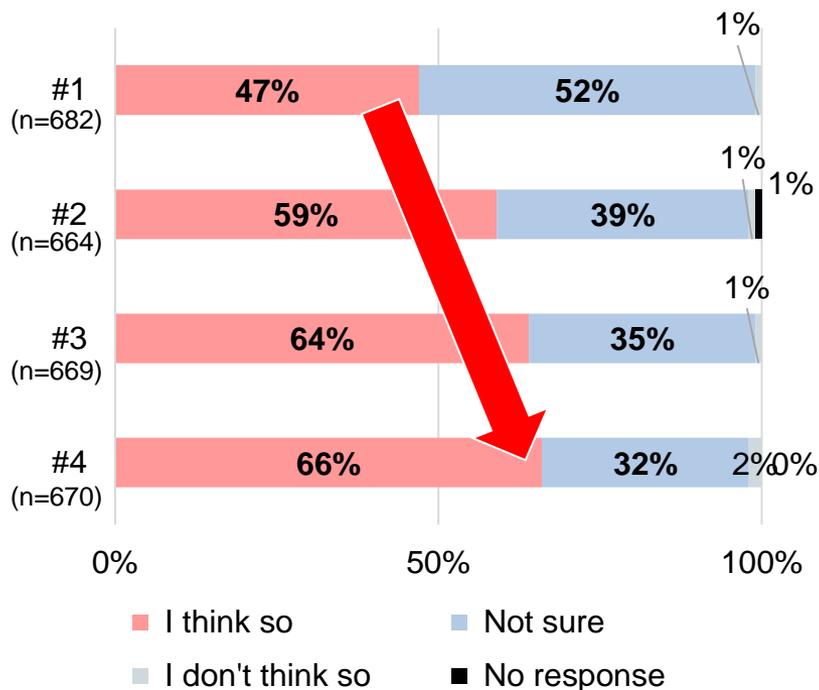
社外秘

Making sustainability a personal issue

An employee sustainability awareness survey indicated that employee pride is improving through meiji Group sustainability activities

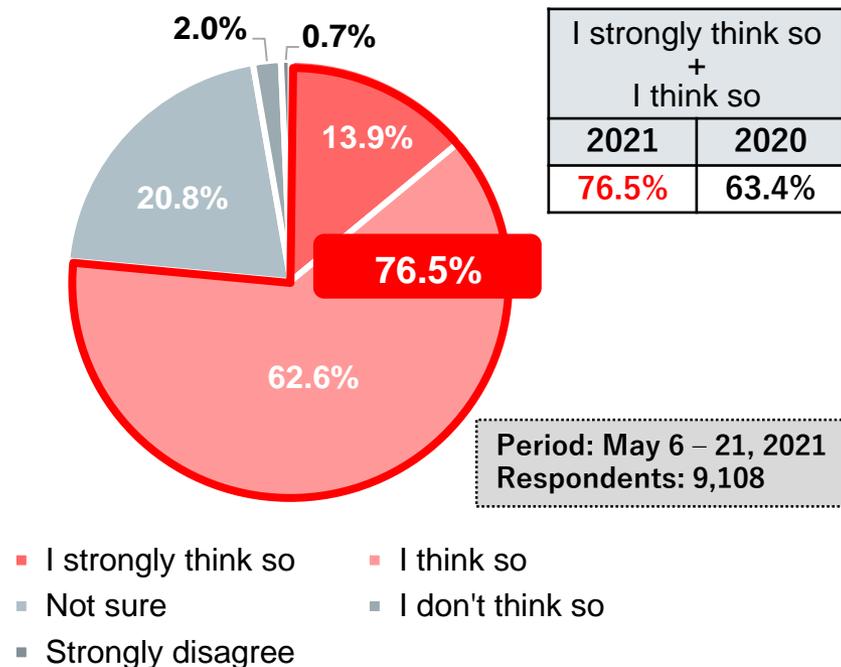
Follow-up survey for meeting at work

Q. Will sustainability activities lead to changes in members' awareness/behavior at work?



2nd sustainability awareness survey

Q. Do you feel pride working at meiji Group knowing the Group engaged in sustainability activities?



3. Further improve governance

Revised Corporate Governance Policy

Reviewed to reflect revised content of revised Corporate Governance Code and Stakeholder Engagement Guidelines, and posted on our website

Main points

1. Created new chapter on sustainability

- Clearly stated our basic approach and outlined policy on increasingly important themes such as D&I promotion and ESG and TCFD disclosures

2. Reviewed to further improve efficiency of the Board of Directors

- Clearly stated that the structure of the Board of Directors should consider diversity, including nationality, gender, and age.
- Changed policy on efficiency assessments to include third-party assessments of the Board of Directors approx. once every three years in addition to existing survey-based self-assessments (conducted annually).

3. Appointing independent outside directors to chair Nomination Committee and Compensation Committee

- The chairs of the Nomination Committee and Compensation Committee will be selected by mutual vote from among members who are independent outside directors, and the nominations will be conducted in a way so that the same person does not chair both committees

→ We will continue to reevaluate governance policy as necessary to reflect the changing needs and expectations of society.

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