

**MEIJI HOLDINGS CO., LTD**  
**SUSTAINABILITY FINANCE FRAMEWORK**



**January, 2021**

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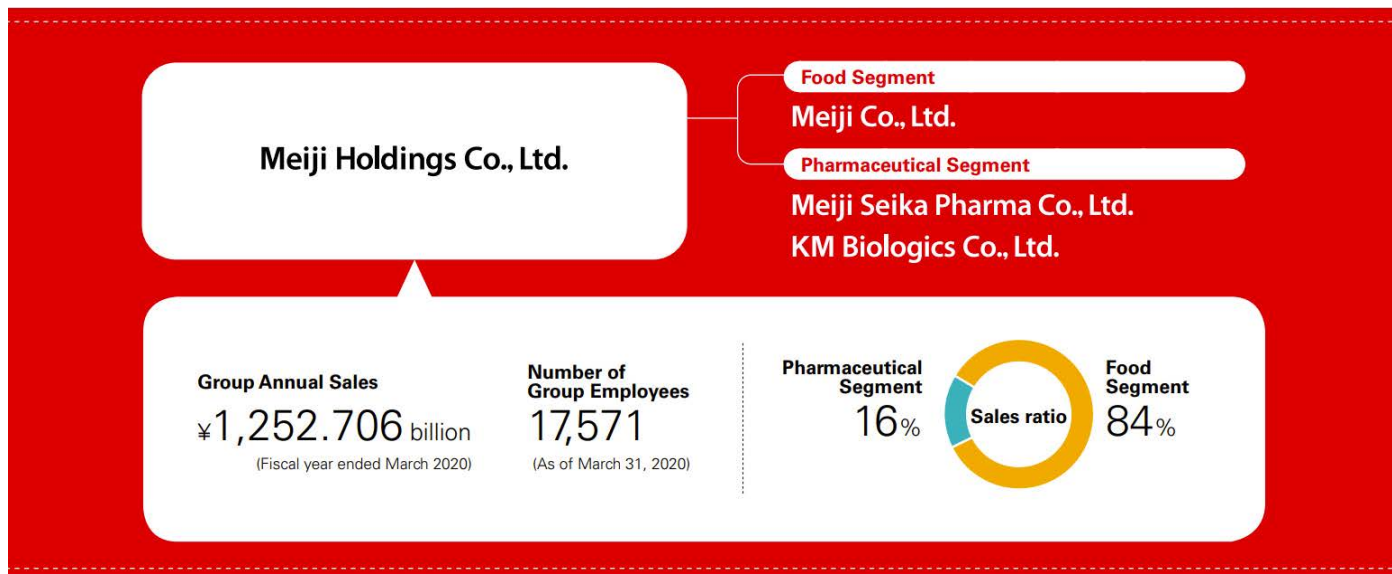
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# 1. INTRODUCTION: POSITION OF THE COMPANY AND ITS BUSINESSES

## 1) Corporate Profile

Meiji Holdings Co., Ltd. (hereinafter referred to as "the Company") is a holding company for the corporate group consisting of Meiji Co., Ltd. (food business) and Meiji Seika Pharma Co., Ltd. (pharmaceuticals business), and KM Biologics Co., Ltd.

- Group Organizational Diagram



Note 1: Meiji Holdings Co., Ltd. is a pure holding company established in 2009 from the merger of Meiji Seika Kaisha, Ltd. and Meiji Dairies Corporation. This group structure has been maintained since the Group's business reorganization in 2011. KM Biologics Co., Ltd. was added to the Group in July 2018.

- Business Areas

### ➤ Meiji Co., Ltd.

Meiji Co., Ltd. provides a variety of products to a wide range of customers from infants to the elderly. We sell highly recognized product lines including infant formula, milk, yogurt, confectioneries, cheese, sports nutrition, and enteral formula. Our goal is to contribute to customers' healthy diets. To this end, we seek high product quality and provide customers with safe, reliable products. Further, we will continually create innovative products with value unique to Meiji by using our strength in research and development.

- Fresh and Fermented Dairy



- Processed Food



- Confectionery



- Nutrition



- International



- Meiji Seika Pharma Co., Ltd.

As a leading company in the anti-infective drugs field in Japan, Meiji Seika Pharma will expand its product lines covering vaccines for prevention and antibacterial drugs for treatment. Moreover, in a wide range of disease fields, we will contribute to drug treatments, appropriate drug prices, and the access of patients to the medicines they need. We will achieve these contributions through the provision of biopharmaceuticals and high-quality generic drugs in Japan and overseas.

- Ethical Pharmaceuticals



- Agricultural Chemical and Veterinary Drugs



- International



- KM Biologics Co., Ltd.

KM Biologics uses advanced biotechnology to supply vaccines, such as human and veterinary vaccines, and blood plasma products. We provide a wide range of products and services from prevention through to treatment. Our responsibility as disease prevention and treatment professionals is to continuously push the limits of life sciences to shape a healthy future for people around the world.

- Human Vaccines



- Veterinary Vaccines



- Blood Plasma Products



## 2) Group Philosophy and Sustainability Management

### (I) Group Philosophy, Management Attitude, and Action Guidelines

The Meiji Group's System of Principles, which is shared group-wide, expresses the Group's approach toward achieving ongoing growth in corporate value through the "Food and Health" business.

The System of Principles consists of three key parts: Group Philosophy, Management Attitude, and Action Guidelines, and also includes the Corporate Behavior Charter.

#### Group Philosophy

Our mission is to widen the world of "Tastiness and Enjoyment" and meet all expectations regarding "Health and Reassurance."

Our wish is to be closely in tune with our customers' feelings and to always be there to brighten their daily lives

Our responsibility as "Food and Health" professionals is to continue finding innovative ways to meet our customers' needs, today and tomorrow

#### Management Attitude

Five Fundamentals

1. Commit ourselves to customer-based ideas and behaviors.
2. Provide safe and reassuring high-quality products.
3. Strive to always produce new value.
4. Foster the development of the synergies and capabilities of the organization and each individual.
5. Be a transparent, wholesome company trusted by society.

#### Action Guidelines

meiji way

In order to be an essential part of our customers, partners, and colleagues' daily lives, we must:

1. Listen to and learn from our customers.
2. Find ways to identify tomorrow's trends and be prepared to lead the way.
3. Make our work exciting, and create exciting work.
4. Have the strength and courage to confront any issues, rather than to avoid them.
5. Always believe in our team's potential, and make the most of its abilities.

## (II) Corporate Behavior Charter

Being involved in the "Food and Health" business, the Meiji Group is fully aware of our responsibilities, and will strive to continue to maintain our obligations to society by undertaking responsible activities as a company. Our executives and employees will all comply with the laws, regulations, international agreements, social codes, and rules of each Group company. All will act fairly and faithfully in accordance with high ethical standards.

### **Relationship with Customers**

1. We will win the trust and satisfaction of our customers by providing safe, high-quality products and services and appropriate information.

### **Relationship with Employees**

2. We highly respect the diversity of our employees, their personalities, and uniqueness. We strive to be a creative, energetic organization that emphasizes communication, and to maintain a safe and comfortable working environment for all our employees.

### **Relationship with Business Partners**

3. We will conduct business appropriately based on fair, transparent, and free competition, and will build relationships of mutual trust in the market.

### **Relationship with Shareholders and Investors**

4. We will maintain and operate a suitable governance system to achieve sustainable growth and increase corporate value over the mid- to long-term. At the same time, we will engage in constructive dialogue with shareholders and investors and disclose information in a timely and appropriate manner.

### **Relationship with the Global Environment**

5. We thoroughly acknowledge that our company exists thanks to the abundance of nature. We will strive to maintain a harmonious coexistence with the environment, protect natural resources and contribute to a more sustainable society.

### **As a Member of Society**

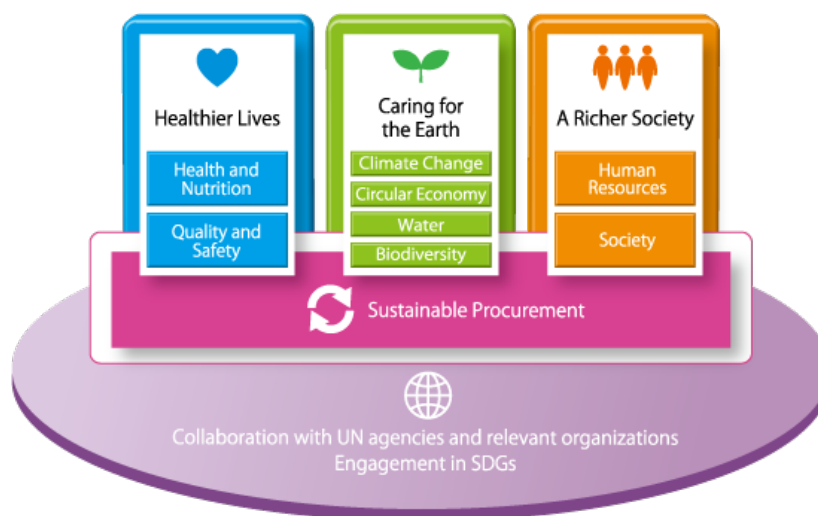
6. We will adhere to the following principles in our business activities to meet our obligations to society.
  - ① We will make our best efforts to respect the human rights of all people related to our business activities.
  - ② We will conduct our business activities in compliance with the laws and regulations of each country and region, and with respect for their culture and customs.
  - ③ We will strive to deepen our social interaction with local communities as a good corporate citizen, and to provide broad contributions to society.
  - ④ We will implement the strictest privacy control, especially in matters related to our customers' personal information.
  - ⑤ We understand the importance of intellectual property rights, and will make efforts to protect and prevent the violation or exploitation of those rights.
  - ⑥ We will not engage in improper practices that lead to social corruption.
  - ⑦ We will maintain regular, fair relationships in political and administrative fields.
  - ⑧ We take an emphatic stance against antisocial groups or individuals that threaten the order and/or safety of civil society.

We understand the spirit of this Charter, and we will work to ensure that all of the Group's corporations are thoroughly familiar with it and implement it. In the event that a situation contradicting this Charter arises, any parties concerned should take the responsibility of investigating the cause, resolving the situation, and preventing it from reoccurring. Parties found to be in violation of the Charter are subject to strict punishment.

### (III) Sustainability Vision

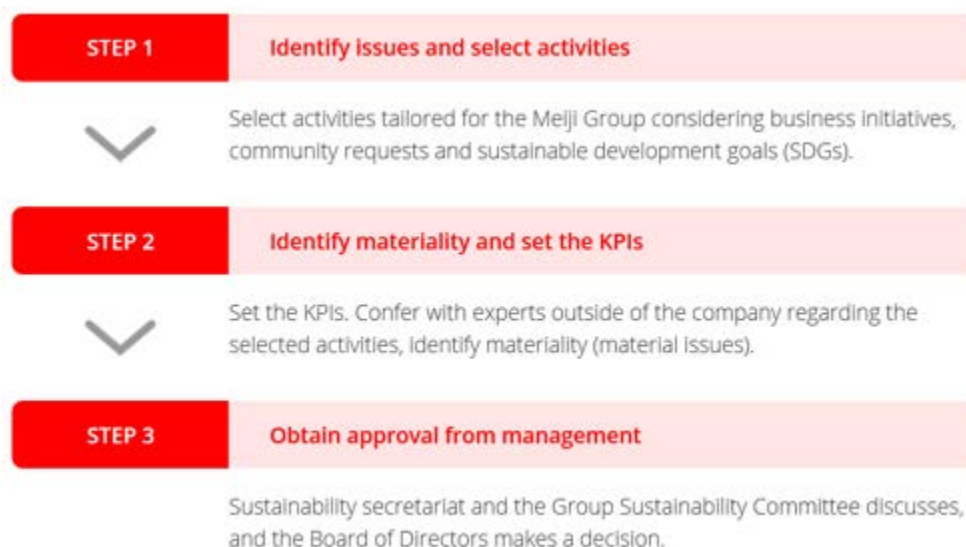
#### (1-1) Meiji Group Sustainability 2026 Vision

- Meiji Group has created the Meiji Group Sustainability 2026 Vision. This was designed to embody “Social contributions”, which is a key strategy in the Meiji Group 2026 Vision. 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.
- The Meiji Group Sustainability 2026 Vision is broken down into three themes: “Healthier Lives”, “Caring for the Earth” and “A Richer Society”. We established specific areas of activities under each theme. Based on this framework, shown in the figure, we promote sustainability activities that are developed in the Meiji way to fulfill our corporate responsibilities.



#### (1-2) Creating our vision

The sustainability vision identifies activities that the Meiji Group should embrace over the long term. We have set KPIs so that the Group Sustainability Committee can monitor our progress and disclose information.





(1-3) Materiality and KPIs

After conferring with experts outside of the company, we identified materiality and set KPIs. We are promoting sustainability activities to achieve our targets and we report on our progress each year.

● Materiality and KPIs – FY2019 Performance

### Healthier Lives

Areas/SDGs	Social Issues	KPIs & FY2019 Performance
<p><b>Health and Nutrition</b></p>	<ul style="list-style-type: none"> <li>Contribute to healthy diets</li> <li>Respond to a super-aged society</li> </ul> <p>· Improve nutrition in emerging countries · Ensure the sustainable supply of pharmaceuticals · Measures against infectious diseases</p>	<p>1. Develop products that contribute to healthy diets and a super-aged society</p> <p><b>Performance</b> Health-conscious products: <b>20</b>    Nutritional products with added value: <b>45</b>    Products for a super-aged society: <b>2</b></p> <p>2. Enroll a total of <b>500,000 participants</b> into nutrition and healthy diet education within three years from FY2018 to FY2020</p> <p><b>Performance</b> Total <b>407,000</b> (FY2019: 212,000)</p> <p><a href="#">For details, please see page 41.</a></p>
<p><b>Quality and Safety</b></p>	<ul style="list-style-type: none"> <li>Ensure product quality and safety</li> </ul>	<p>Obtain Global Food Safety Initiative (GFSI) certification, which includes HACCP*, at all domestic food plants by FY2020</p> <p><b>Performance</b> <b>87%</b> * HACCP: Hazard Analysis and Critical Control Points</p> <p><b>NEW</b> Obtain third party Global Food Safety Initiative (GFSI) certification, which includes HACCP, at all domestic food plants by FY2020 and all global food plants by FY2021</p> <p><a href="#">For details, please see page 43.</a></p>

### Caring for the Earth

Areas/SDGs	Social Issues	KPIs & FY2019 Performance
<p><b>Climate Change</b></p>	<ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emission volume</li> </ul> <p>· Eliminate the use of specified fluorocarbons</p>	<p>Reduce total domestic CO<sub>2</sub> emission volume by <b>at least 15%</b> compared with FY2013 baseline by FY2030</p> <p><b>Performance</b> <b>21.5% reduction</b></p> <p>* The domestic Meiji Group, excluding KM Biologics Co., Ltd.</p> <p><b>NEW</b> 1. Reduce group-wide CO<sub>2</sub> emission volume (Scope 1 and 2) by <b>at least 40%</b> compared with FY2015 baseline by FY2030 2. Increase the share of renewable energy to <b>at least 50%</b> of group-wide power usage by FY2030</p> <p><a href="#">For details, please see page 44.</a></p>
<p><b>Circular Economy</b></p>	<ul style="list-style-type: none"> <li>Reduce environmental burden</li> </ul>	<p><b>NEW</b> Reduce domestic plastic usage, including container packaging, by <b>at least 25%</b> compared with FY2017 baseline by FY2030 and increase use of biomass plastics and recycled plastics</p> <p><a href="#">For details, please see page 45.</a></p>
<p><b>Water</b></p>	<ul style="list-style-type: none"> <li>Secure water resources</li> </ul>	<p>Reduce domestic water consumption volume (per unit of sales) by <b>at least 20%</b> compared with FY2015 baseline by FY2030</p> <p><b>Performance</b> <b>14.7% reduction</b></p> <p>* The domestic Meiji Group, excluding KM Biologics Co., Ltd. * Past data has been revised</p> <p><b>NEW</b> Reduce group-wide water consumption volume (per unit of sales) by <b>at least 20%</b> compared with FY2017 baseline by FY2030</p> <p><a href="#">For details, please see page 45.</a></p>
<p><b>Biodiversity</b></p>	<ul style="list-style-type: none"> <li>Protection of local biodiversity</li> </ul>	<p><b>NEW</b> Reduce group-wide water consumption volume (per unit of sales) by <b>at least 20%</b> compared with FY2017 baseline by FY2030</p> <p><a href="#">For details, please see page 45.</a></p>



## A Richer Society

Areas/SDGs	Social Issues	KPIs & FY2019 Performance
<b>Human Resources</b>   	<b>Promote diversity and inclusion, and develop human resources</b> - Employee-friendly workplaces	<ol style="list-style-type: none"> <li>Raise the ratio of female managers from 2.6% in FY2017 to <b>at least 10%</b> by FY2026. Triple the number of female leaders* to <b>at least 420</b> by FY2026 (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  <b>Performance</b> Female managers <b>3.4%</b> Female leaders <b>189</b> </li> <li>Raise the ratio of employees with disabilities above the statutory employment quota (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)  <b>Statutory Employment Quota</b> The ratio of employees with disabilities <b>At least 2.2%</b> * From April 1, 2018  <b>Performance</b> <b>2.28%</b> </li> </ol> <p><a href="#">For details, please see page 46.</a></p>
<b>Society</b>   	<b>Respect and promote human rights</b> - Communicate with stakeholders - Promote philanthropic activities	Achieve <b>100%</b> participation of new employees and newly promoted managers for human rights training (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) <b>Performance</b> <b>100%</b>

## Shared Themes

Areas/SDGs	Social Issues	KPIs & FY2019 Performance
<b>Sustainable Procurement</b>   	<b>Procure raw materials with consideration toward human rights and the environment</b> - Stable procurement	<ol style="list-style-type: none"> <li>Improve traceability of cocoa  <b>Performance</b> Same usage amount as FY2018         </li> <li>Use <b>100%</b> RSPO* -certified palm oil by FY2023            * RSPO: Roundtable on Sustainable Palm Oil  <b>Performance</b> Approximately <b>10%</b> </li> <li>Increase procurement ratio of sustainable cocoa beans to <b>100%</b> by FY2026            Use <b>100%</b> RSPO-certified palm oil globally by FY2023         </li> <li>Use paper raw materials with <b>100%</b> forest certified (FSC*, PEFC) and/or recycled paper by FY2020  <b>Performance</b> <b>60.3%</b> </li> </ol> <p><a href="#">For details, please see page 50-51.</a></p>

## (2) Sustainability Management System

- We have established the Group Sustainability Committee with the CEO, President and Representative Director of Meiji Holdings at its helm.
- Accordingly, we are promoting sustainability activities following the directions of this Committee. The Committee meets twice annually. It monitors the progress of activities to achieve KPIs in the Meiji Group Sustainability 2026 Vision and establishes sustainability policies. The Committee shares outcomes of activities conducted by each operating company and reports twice annually to the Board of Directors. We have established a Sustainability Secretariat that meets monthly and its members are sustainability staff from Meiji Holdings and the operating companies.
- In FY2019, we established the Group Human Rights Meeting and the Group TCFD Committee alongside the Group Environmental Meeting, which is linked to the Sustainability Secretariat. We strengthened our systems for considering concrete measures and launched a number of initiatives including scenario analysis based on TCFD recommendations and conducting human rights due diligence.

### <Group Sustainability System>



## (3) Environmental Management System

There is The Group Environmental Meeting, which is made up of representatives from our Food segment and Pharmaceutical segment as well as the sustainability representatives from Meiji Holdings Co., Ltd. Under this system, the Meeting sets a long-term vision, plans specific measures as well as carries out risk management, and essentially oversees the environmental management for the whole Group.

### 3) Significance of Sustainability Finance Initiatives

- We recognize that the business environment surrounding our company is changing in the ways described below. These changes are also related to the social issues presented in the SDGs.

#### <Changing Business Environment>

1. Changing social structure due to aging demographics (By the year 2025, 30% of Japan's population will be aged 65 years or older)
  2. Increasing awareness of health and prevention (increase in illnesses caused by changes in living environments and eating habits)
  3. Expanding middle classes around the world (increasing income levels in emerging countries, primarily China and India)
  4. Ever-growing food problems around the world (increasing population in hunger, malnutrition problems caused by food shortages, food loss)
  5. Spread of drug-resistant bacteria (bacteria with antimicrobial resistance (AMR) increasing around the world)
- We create products and services in our two main segments (food and pharmaceuticals) that contribute to healthier lives, providing the world with solutions to changes in the business environment and social issues. This is the core of the activities unique to, and the mission of, the Meiji Group.
  - We believe it is necessary to understand and analyze the degree of importance to our stakeholders and our company represented by the SDGs. We identify material matters initiatives (materialities) and provide external disclosures of this identification process and non-financial indicators related to materiality. In this way, our efforts toward the Meiji Group Sustainability 2026 Vision also contributes to the achievement of a sustainable society.
  - Recently, we incorporated sustainability finance, which considers investments related to defined materialities (applicable/qualified projects) in the use of proceeds. We have organized our prior framework for raising funds for these initiatives to conform to the International Capital Market Association (ICMA) Sustainability Bond Guidelines, formulating the Sustainability Finance Framework. We believe this framework is aligned with the significance of adopting sustainability finance initiatives, and that this approach will have a positive impact on society.

## 2.1 USE OF PROCEEDS

### 1) Targeted Social Issues/Qualified Projects; Overviews

As food and health professionals, through our business activities and environmental initiatives, we strive to create new value and contribute to the realization of a future society where all people can lead happy, healthy lives. In the Meiji Group 2026 Vision, we position contributions to societal problems as one of our core policies. We drafted the Meiji Group Sustainability 2026 Vision to outline specific policies towards achieving this goal. The Meiji Group Sustainability 2026 Vision outlines three main themes – Healthier Lives, Caring for the Earth, and A Richer Society. The Vision also outlines the common theme of engaging in Sustainable Procurement.

Through this Framework, we will aggressively use sustainability financing as capital to fund activities aimed at realizing the Meiji Group Sustainability 2026 Vision.

● Table 1: List of Applicable/Qualified Projects

Theme	Applicable project and conformity to SDGs	Project category	Project overview
Sustainable Procurement	1. Sustainable cocoa bean procurement	<u>Green</u>  Sustainable environmental management of biological natural resources and land use	<ul style="list-style-type: none"> <li>• Increase procurement ratio of sustainable cocoa beans to 100% by FY2026 (fiscal year ended March 2027)</li> <li>* Cocoa beans produced in regions where Meiji provides support to cocoa farmers through Meiji Cocoa Support mentioned below.</li> </ul>
	2. Supporting cocoa farmers (Meiji Cocoa Support)	<u>Sustainability</u>  - Sustainable environmental management of biological natural resources and land use  - Socioeconomic improvement and empowerment of the socially vulnerable	<ul style="list-style-type: none"> <li>• To ensure the sustainability of cocoa production, we will support the analysis and resolution of issues facing cocoa farmers (tree aging, difficulty procuring the saplings and fertilizer needed for cultivation, lack of knowledge concerning cultivation technology).</li> <li>• Contributions including providing saplings, lending agricultural equipment, digging wells, and donating school equipment.</li> <li>• Enlightening activities about cocoa producer nations through Hello Chocolate (*).</li> <li>• Activities in partnership with the World Cocoa Foundation (WCF) aimed at preventing deforestation and eliminating child labor.</li> </ul> <p>*A Meiji Group concept space (facility and web environment) for various experiences related to cocoa, including storytelling, chocolate-making, and tasting of cocoa from various regions.</p>


Theme	Applicable project and conformity to SDGs	Project category	Project overview
	3. Developing a responsible supply chain	<p><b>Social</b></p> <p>Socioeconomic improvement and empowerment of the socially vulnerable</p>	<ul style="list-style-type: none"> <li>• Conducting supplier surveys and audits</li> <li>• Results of surveys and audits used to ascertain the existence of societal problems on our supply chain. A structure for implementing corrective action is created in the event problems are found.</li> </ul>
Caring for the Earth	4. Energy efficiency and energy creation at domestic and overseas plants	<p><b>Green</b></p> <ul style="list-style-type: none"> <li>- Renewable energy</li> <li>- Improving energy efficiency</li> <li>- Pollution prevention and management</li> </ul>	<p>Install energy-saving and energy creation facilities in new plants and upgrade facilities and existing plants.</p> <ul style="list-style-type: none"> <li>• Energy reduction measures (Install top runner facilities to achieve energy savings of 30% or more, adopt IoT/AI to optimize production and controls, install co-generation facilities to create electricity and use heat, switch to fuels with low CO<sub>2</sub> emissions)</li> <li>• Install solar power generation facilities</li> <li>• Purchase electricity from renewable energy sources</li> <li>• Measures to go CFC-free (Install refrigeration/freezer equipment that is energy-saving and CFC-free)</li> </ul> <p>Implement the above initiatives to achieve the following KPIs</p> <ul style="list-style-type: none"> <li>• Reduce group-wide CO<sub>2</sub> emission volume by at least 40% compared with FY2015 baseline by FY2030</li> <li>• Increase the share of renewable energy to at least 50% of group-wide power usage by FY2030</li> <li>• Eliminate all specified CFCs used in freezers, etc. at domestic production bases by FY2030</li> </ul>
	5. Securing and conserving domestic and overseas water resources	<p><b>Green</b></p> <ul style="list-style-type: none"> <li>- Pollution prevention and management</li> <li>- Sustainable water resource and wastewater management</li> </ul>	<p>Install facilities to promote water savings and optimal water use in existing and new plants and operating bases, install facilities for water intake and wastewater management, and paddy flooding activities.</p> <ul style="list-style-type: none"> <li>• Engage in more refined cascading of cleaning water to reinforce water reuse and water savings. Reduce water usage in FY2030 by 20% or more compared to FY2017 volumes.</li> <li>• Pursue water savings (use rainwater to flush toilets, reuse cooling water) and reinforce water efficiency, reuse, and recycling in all production processes to reduce water usage volumes.</li> <li>• Use treatment systems appropriate for the wastewater produced by each production</li> </ul>



			<p>process to promote efficient water cleansing and reduce environmental load.</p> <ul style="list-style-type: none"> <li>• Improve water quality by installing RO membrane systems.</li> </ul>
Theme	Applicable project and conformity to SDGs	Project category	Project overview
Caring for the Earth	6. Switching to environmentally friendly packaging (plastic / paper)	<p><b>Green</b></p> <ul style="list-style-type: none"> <li>- Prevent pollution (creating a circular society)</li> <li>- Highly environmentally efficient products, environmentally friendly manufacturing technology, and processes</li> </ul>	<p>R&amp;D, raw materials procurement, and capital investments to reduce and reuse plastic containers</p> <ul style="list-style-type: none"> <li>• Reduce By FY2030, reduce volume of plastic used in one-way plastic containers and packaging by 25% or more compared to FY2017. This will reduce plastic used in FY2030 by 7,700 tons compared to FY2017.</li> <li>• Biomass plastics and recycled plastics Promote use of biomass plastics and recycled plastics as plastic materials</li> </ul> <p>Procure paper from certified forests for product packaging</p> <ul style="list-style-type: none"> <li>• Established Paper Procurement Guidelines in September 2018. Work with vendors to promote socially responsible paper procurement activities in accordance with these Guidelines.</li> </ul>
	7. Local biodiversity conservation activities	<p><b>Green</b></p> <p>Conservation of biodiversity for land and marine life</p>	<ul style="list-style-type: none"> <li>• Researched status of biodiversity activities led by Kumamoto Prefecture government and NPOs, and proactively participating in activities</li> <li>• KM Biologics Kikuchi Research Center conducting surveys and conservation activities for plants and wildlife living in the Kumamoto Sunlight Forest.</li> <li>• Protecting wild birds and maintaining biodiversity of conservation areas in Meiji Nature Conservation Area in Nemuro City</li> </ul>
Healthier Lives	8. Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas)	<p><b>Social</b></p> <ul style="list-style-type: none"> <li>- Access to necessary services (health)</li> <li>- Food safety</li> </ul>	<ul style="list-style-type: none"> <li>• Developing and manufacturing cube-type infant formula, a highly convenient product that helps reduce labor for working parents raising infants</li> <li>• Development, manufacturing, and free provision of formulas (special-needs formulas) for infants unable to drink breast milk due to congenital metabolism disorders</li> </ul>



Theme	Applicable project and conformity to SDGs	Project category	Project overview
Healthier Lives	9. R&D and capital investments in infectious disease prevention	<u>Social</u> Access to necessary services (health)	Contributing to healthier lives by developing and manufacturing vaccines and pharmaceuticals in response to concerns of new and recurring infectious disease epidemics attributable to global warming and other environmental changes. <ul style="list-style-type: none"> <li>• Maintaining and managing production facilities for vaccines and pharmaceuticals such as the influenza vaccine</li> <li>• Development and manufacturing of vaccines for predicted epidemics of new viruses (dengue virus, novel coronavirus, etc.)</li> </ul>
	10. R&D related to extending healthy lifespans	<u>Social</u> Access to necessary services (health)	<ul style="list-style-type: none"> <li>• Promote and advance antiaging research and research on boosting the immunity towards extending healthy lifespans</li> </ul>
	11. Activities contributing to fostering of future generations	<u>Social</u> - Access to necessary services (health) - Food safety	<ul style="list-style-type: none"> <li>• As a company that supports the nutritious lifestyles of our customers, we disseminate information concerning products, nutrition, and food culture to promote the healthy and stable lifestyles for all people.</li> </ul> (Example: Maintenance of plant tour facilities, providing food education and helpdesks for infant nutrition, and making donations to food banks and children's shelters)









- Table 2: Alignment of Sustainability Finance Target Operations With SDGs
- ✓ These efforts are consistent with the Sustainable Development Goals (SDGs) proposed by the United Nations and the SDGs implementation guidelines of the government of Japan.
- ✓ In addition to the social issues surrounding our company and the specific efforts in each of our projects, we also consider the environmental impact of our businesses in contributing to the SDGs.

	SDGs targets	Applicable projects
	<p>2.1: By 2030, eradicate hunger and ensure that all people, especially those in vulnerable positions, including the poor and infants, have access to safe and nutritious food throughout the year.</p> <p>2.2: Eliminate all forms of malnutrition by 2030 and address the nutritional needs of young girls, pregnant and lactating women, and the elderly, including meeting internationally agreed targets for growth inhibition and debilitating diseases in children under five years of age by 2025.</p> <p>2.3: By 2030, double the agricultural productivity and income of women, indigenous peoples, farmers, herders, fishermen, and other small-scale food producers by ensuring secure and equal access to land and other resources of production, input, knowledge, financial services, markets, value creation, and non-farm employment opportunities.</p> <p>2.4: By 2030, ensure sustainable food production systems and resilient agricultural practices that increase productivity and production output, sustain ecosystems, improve adaptability to climate change, extreme weather events, droughts, floods, and other disasters, and progressively improve land and soil quality.</p> <p>2.a: Strengthen international cooperation, etc., to expand investments in rural infrastructure, agricultural research and extension services, technological development, and plant and livestock gene banks for the purpose of increasing agricultural production capacity in developing countries, especially in the least developed countries.</p>	<p>(1) Sustainable cocoa bean procurement</p> <p>(2) Supporting cocoa farmers (Meiji Cocoa Support)</p> <p>(8) Capital investment and R&amp;D for initiatives related to infant nutrition (general infant formulas and special formulas)</p> <p>(11) Activities contributing to fostering of future generations</p>

	SDGs targets	Applicable projects
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.3: By 2030, eradicate infectious diseases such as AIDS, tuberculosis, malaria, and neglected tropical diseases, while also addressing hepatitis, waterborne diseases, and other infectious diseases.</p> <p>3.4: By 2030, reduce youth mortality from non-communicable diseases by one-third through prevention and treatment, and promote mental health and well-being.</p> <p>3.8: Achieve Universal Health Coverage (UHC), including protection against financial risks, access to high-quality basic health services, and access to safe, effective, high-quality, and affordable essential drugs and vaccines.</p> <p>3.9: By 2030, significantly reduce the number of deaths and diseases due to hazardous chemicals and air, water, and soil pollution.</p>	<p>(4) Energy efficiency and energy creation at domestic and overseas plants</p> <p>(8) Capital investments and R&amp;D for initiatives related to infant nutrition (general infant formulas and special formulas)</p> <p>(9) R&amp;D and capital investment in infectious disease prevention</p> <p>(10) R&amp;D related to extending healthy lifespans</p> <p>(11) Activities contributing to fostering of future generations</p>
 <p>4 QUALITY EDUCATION</p>	<p>4.1: By 2030, ensure that all children, regardless of gender, can complete free, fair, and quality primary and secondary education that leads to appropriate and effective learning outcomes.</p> <p>4.2: By 2030, ensure that all children, regardless of gender, are ready for primary education through access to quality early childhood development and care as well as pre-primary education.</p> <p>4.3: By 2030, ensure that all people, regardless of gender, have equal access to affordable, quality higher education, including technical and vocational schools and universities.</p> <p>4.4: By 2030, significantly increase the proportion of youth and adults with the skills necessary for employment, meaningful work, and entrepreneurship, including technical and vocational skills.</p> <p>4.5: By 2030, eliminate gender disparities in education and give vulnerable groups equal access to education and vocational training at all levels, including persons with disabilities, indigenous peoples, and vulnerable children.</p> <p>4.7: By 2030, enable all learners to acquire the knowledge and skills necessary to promote sustainable development through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of peace</p>	<p>(1) Sustainable cocoa bean procurement</p> <p>(2) Supporting cocoa farmers (Meiji Cocoa Support)</p> <p>(11) Activities contributing to fostering of future generations</p>

	and non-violent culture, global citizenship, cultural diversity, and the contribution of culture to sustainable development.	
<b>SDGs targets</b>		<b>Applicable projects</b>
 <p>4 QUALITY EDUCATION</p>	<p>4.1: By 2030, ensure that all children, regardless of gender, can complete free, fair, and quality primary and secondary education that leads to appropriate and effective learning outcomes.</p> <p>4.2: By 2030, ensure that all children, regardless of gender, are ready for primary education through access to quality early childhood development and care as well as pre-primary education.</p> <p>4.3: By 2030, ensure that all people, regardless of gender, have equal access to affordable, quality higher education, including technical and vocational schools and universities.</p> <p>4.4: By 2030, significantly increase the proportion of youth and adults with the skills necessary for employment, meaningful work, and entrepreneurship, including technical and vocational skills.</p> <p>4.5: By 2030, eliminate gender disparities in education and give vulnerable groups equal access to education and vocational training at all levels, including persons with disabilities, indigenous peoples, and vulnerable children.</p> <p>4.7: By 2030, enable all learners to acquire the knowledge and skills necessary to promote sustainable development through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of peace and non-violent culture, global citizenship, cultural diversity, and the contribution of culture to sustainable development.</p>	<p>(1) Sustainable cocoa bean procurement</p> <p>(2) Supporting cocoa farmers (Meiji Cocoa Support)</p> <p>(11) Activities contributing to fostering of future generations</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>6.3: By 2030, improve water quality by reducing pollution, eliminating dumping, and minimizing the release of hazardous chemicals and substances, halving the proportion of untreated wastewater, and greatly increasing the global scale of recycling and safe reuse.</p> <p>6.4: By 2030, significantly improve the efficiency of water use in all sectors to ensure sustainable harvest and supply of fresh water to address water scarcity, and significantly reduce the number of people suffering from water scarcity.</p> <p>6.6: By 2020, protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers, and lakes.</p>	<p>(5) Securing and conserving domestic and overseas marine resources</p> <p>(7) Local biodiversity conservation activities</p>

SDGs targets		Applicable projects
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.2: By 2030, significantly expand the share of renewable energy in the global energy mix.</p> <p>7.3: By 2030, double the rate of improvement in global energy efficiency worldwide.</p> <p>7.a: By 2030, strengthen international cooperation to promote access to clean energy research and technology, including renewable energy, energy efficiency, and advanced, environmentally friendly fossil fuel technology, while also promoting investment in energy-related infrastructure and clean energy technology.</p>	<p>(4) Energy efficiency and energy creation at domestic and overseas plants</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.4: By 2030, gradually improve resource efficiency in global consumption and production, and under the leadership of developed countries, aim to divide economic growth from environmental deterioration in accordance with the 10-year planning framework for sustainable consumption and production.</p>	<p>(1) Sustainable cocoa bean procurement (2) Supporting cocoa farmers (Meiji Cocoa Support)</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>12.2: By 2030, achieve sustainable management and efficient use of natural resources.</p> <p>12.5: By 2030, significantly reduce waste generation by preventing, reducing, reusing, and recycling waste.</p> <p>12.8: By 2030, ensure that people everywhere have information and awareness of sustainable development and lifestyles in harmony with nature.</p> <p>12.a: Support developing countries in strengthening their scientific and technical capabilities to promote more sustainable forms of consumption and production.</p>	<p>(2) Supporting cocoa farmers (Meiji Cocoa Support) (4) Energy efficiency and energy creation at domestic and overseas plants (5) Securing and conserving domestic and overseas marine resources (6) Switching to environmentally friendly packaging (plastic – paper)</p>
 <p>13 CLIMATE ACTION</p>	<p>13.1: Enhance resilience and adaptability to climate-related and natural disasters in all countries.</p>	<p>(4) Energy efficiency and energy creation at domestic and overseas plants (5) Securing and conserving domestic and overseas marine resources (6) Switching to environmentally friendly packaging (plastic – paper)</p>

	SDGs targets	Applicable projects
	<p>15.1: By 2020, ensure the conservation, restoration, and sustainable use of terrestrial and inland freshwater ecosystems and their services, including forests, wetlands, mountains, and arid lands, in accordance with international agreements.</p> <p>15.2: By 2020, promote sustainable management of all types of forests, prevent deforestation, restore degraded forests, and greatly increase global afforestation and reforestation.</p> <p>15.4: By 2030, ensure the conservation of mountain ecosystems, including biodiversity, to strengthen their capacity to deliver essential benefits for sustainable development.</p> <p>15.5: Take urgent and meaningful steps to curb natural habitat degradation, prevent biodiversity loss, protect endangered species, and prevent extinction of species by 2020.</p>	<p>(1) Sustainable cocoa bean procurement</p> <p>(2) Supporting cocoa farmers (Meiji Cocoa Support)</p> <p>(5) Securing and conserving domestic and overseas marine resources</p> <p>(7) Local biodiversity conservation activities</p>
	<p>17.7: Promote the development, transfer, dissemination, and proliferation of environmentally friendly technologies to developing countries under mutually agreed-upon favorable conditions, including concessional and preferential conditions.</p> <p>17.16: Strengthen global partnerships for sustainable development, supplemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources to help achieve sustainable development goals in all countries, especially in developing countries.</p> <p>17.17: Encourage and promote effective public, public-private, and civil society partnerships, building on a range of partnership experiences and resource strategies.</p>	<p>(1) Sustainable cocoa bean procurement</p> <p>(2) Supporting cocoa farmers (Meiji Cocoa Support)</p> <p>(3) Developing a responsible supply chain</p>

## 2.2 PROCESS FOR PROJECT SELECTION AND EVALUATION

### 1) Qualified Project Selection Criteria and Process

Based on the Meiji Group Sustainability 2026 Vision, the Sustainability Promotion Department and the Financial & Accounting Department have selected qualified projects for the use of proceeds from among the material sustainability issues recognized in discussions at various meeting bodies, including the Group Sustainability Committee. The director in charge of the Sustainability Promotion Department and the director in charge of the Financial & Accounting Department issue final decisions regarding these projects after comprehensive analyses and examinations, and report these selection results to the Management Committee and the board of directors.

### 2) Disclosure Method for Qualified Project Selection Criteria and Process

In regard to project selection criteria and the finalization process, we plan to first disclose the first opinion and third-party assessment report to investors, after which we will submit an amended shelf registration statement in the event of a bond issuance.

## 2.3 MANAGEMENT OF PROCEEDS

### 1) Method for Tracing Proceeds to Assets

Proceeds will be pre-earmarked for and tied to individual projects.

### 2) Method for Tracking and Managing Proceeds

Disbursement and management of sustainability finance proceeds conducted under this framework are handled by the Financial & Accounting Department. The results of financing will be reported annually to the director in charge of the Sustainability Promotion Department and the director in charge of the Financial & Accounting Department, who double-check these reports.

Each subsidiary acting as an implementing body for a qualified project reports to the Company annually regarding disbursement status for the project(s) in question.

Until the entire amount of the proceeds in question are disbursed to qualified projects, the amount allocated to projects and the amount not yet allocated projects will be disclosed annually on the Company website. Further, any significant changes in allocation status, even after full allocation of proceeds, will be disclosed as necessary in a similar fashion.

### 3) Method for Managing Undisbursed Proceeds

Proceeds raised are to be disbursed for payments related to qualified projects over the course of three years in general.

Until a decision is made to disburse proceeds, proceeds shall be managed as cash or cash equivalents.

## 2.4 REPORTING

During the period between sustainability financing and redemption (repayment), the status of proceeds allocation and information outlined by the Company as related to benefiting environmental and social improvements shall be published to

our website on an annual basis. The JCR will review the status of our reporting, including reporting on the status of proceed allocation and the information we disclose as benefiting environmental and social improvements.

The Company drafts business plans and financial results information pertaining to the Company's plans and performance, publishing this information on the Company website.

## 1) KPIs for Impact Reporting

We plan to report the impact of environmental and social improvements as show in Table 3.

● Table 3: Impact Reporting

Qualified Project	Impact Reporting		
	Outputs (Project Progress/Results)	Outcomes (Impact from Issue Resolution)	Impacts (Effects Generated from Outcomes)
(1) Sustainable cocoa bean procurement	<ul style="list-style-type: none"> <li>Procurement of cocoa beans under a sustainable program</li> </ul>	<ul style="list-style-type: none"> <li>Ratio of sustainable cocoa bean procurement to total cocoa bean procurement</li> </ul>	<ul style="list-style-type: none"> <li>Improved standard of living for producers</li> <li>Ensuring food safety for consumers</li> <li>Forest conservation</li> </ul>
(2) Supporting cocoa farmers (Meiji Cocoa Support)	<ul style="list-style-type: none"> <li>Implementation of livelihood support for cocoa farmers in developing countries</li> <li>Implementation of technical support for cocoa farmers</li> <li>Event sponsorship</li> </ul>	<ul style="list-style-type: none"> <li>Details of cocoa farmer support activities implemented</li> <li>Number of study sessions held for cocoa farmers</li> <li>Number of events held</li> </ul>	
(3) Developing a responsible supply chain	<ul style="list-style-type: none"> <li>Implementation of sustainable procurement surveys/audits</li> <li>Building a mechanism to gain an understanding regarding the presence of social issues in the supply chain based on survey/audit results and take corrective actions in the event of any issues</li> </ul>	<ul style="list-style-type: none"> <li>Number of surveys and audits conducted</li> <li>Details of efforts toward survey/audit analysis and correction</li> </ul>	<ul style="list-style-type: none"> <li>Developing a responsible supply chain</li> </ul>



Qualified Project	Impact Reporting		
	Outputs (Project Progress/Results)	Outcomes (Impact from Issue Resolution)	Impacts (Effects Generated from Outcomes)
(4) Energy efficiency and energy creation at domestic and overseas plants	<ul style="list-style-type: none"> <li>Reducing CO<sub>2</sub> emissions by 40% or more vs. 2015 levels by 2030</li> <li>Expand the ratio of renewable energy to total electricity consumption to 50% or more by 2030</li> <li>Completely abolish chlorofluorocarbons used in refrigerating and freezing equipment at domestic production locations by 2030</li> </ul>	<ul style="list-style-type: none"> <li>Amount of CO<sub>2</sub> reduction from energy-saving measures in new and existing plants</li> <li>Annual power generated or equivalent CO<sub>2</sub> reduced from solar power generation</li> <li>Amount of renewable-derived electricity or equivalent CO<sub>2</sub> reduced</li> <li>Number of facilities that have switched from specified chlorofluorocarbons to natural refrigerants or alternative chlorofluorocarbons</li> </ul>	<ul style="list-style-type: none"> <li>Control of CO<sub>2</sub> emissions</li> <li>Protection of the ozone layer</li> </ul>
(5) Securing and conserving domestic and overseas water resources	<ul style="list-style-type: none"> <li>Equipment renewal at existing factories and business locations</li> <li>Implementation of water-saving equipment at new factories</li> <li>Reducing domestic water usage by 20% or more vs. 2017 levels by 2030</li> <li>Recharge of groundwater from paddy field flooding activities</li> </ul>	<ul style="list-style-type: none"> <li>Reduction rate of water usage (intensity)</li> <li>Amount of paddy field flooding</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of environmental impact through the efficient use of water and appropriate wastewater management in the securing of water resources, which the Meiji Group recognizes as a key social issue</li> </ul>

Qualified Project	Impact Reporting		
	Outputs (Project Progress/Results)	Outcomes (Impact from Issue Resolution)	Impacts (Effects Generated from Outcomes)
(6) Switching to eco-friendly product packaging (plastic/paper)	<ul style="list-style-type: none"> <li>Reduction of plastic used in one-way plastic containers and packaging by 25% or more vs. 2017, resulting in a reduction of 7,700 tons in 2030 vs. 2017 levels</li> <li>100% use of eco-friendly paper raw materials for various printed items and copy paper, including FSC and other forest-certified paper</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of plastic used</li> <li>Usage rate of eco-friendly paper (including forest-certified paper and recycled paper)</li> </ul>	<ul style="list-style-type: none"> <li>Resolution of the social issue of marine pollution caused by plastic waste</li> <li>Forest conservation</li> </ul>
(7) Local biodiversity conservation activities	<ul style="list-style-type: none"> <li>Participation in government and NPO-led biodiversity activities</li> <li>Surveys on biodiversity, flora and fauna</li> <li>Conduct observation sessions at Kumamoto Komorebi no Mori forest and the Meiji Nature Conservation Area</li> <li>Obtain biodiversity certification</li> </ul>	<ul style="list-style-type: none"> <li>Frequency of participation in government and NPO-led biodiversity activities</li> <li>Content of survey reports</li> <li>Number of observation sessions conducted</li> <li>Biodiversity certification results</li> </ul>	<ul style="list-style-type: none"> <li>Conservation and breeding of endangered species</li> <li>Promotion of understanding and raised awareness of biodiversity</li> </ul>
(8) Capital investments and R&D for initiatives related to infant nutrition (general infant formulas and special formulas)	<ul style="list-style-type: none"> <li>Development and manufacture of cube-type powdered milk</li> <li>Provision of special milk</li> </ul>	<ul style="list-style-type: none"> <li>Status of investment in production equipment for cube-type powdered milk</li> <li>Weight of special milk provided</li> </ul>	<ul style="list-style-type: none"> <li>Achievement of healthy growth of infants</li> <li>Reduction of childcare burden for care providers</li> </ul>

Qualified Project	Impact Reporting		
	Outputs (Project Progress/Results)	Outcomes (Impact from Issue Resolution)	Impacts (Effects Generated from Outcomes)
(9) R&D and capital investments in infectious disease prevention	<ul style="list-style-type: none"> <li>• Product development</li> <li>• Investment in production equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Status of products developed</li> <li>• Status of investment in production equipment</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of persons affected by infectious diseases</li> <li>• Upkeep of domestic medical systems</li> <li>• Prevention of aggravated illness among affected persons through vaccine impact</li> </ul>
(10) R&D related to extending healthy lifespans	<ul style="list-style-type: none"> <li>• Status of research and development</li> </ul>	<ul style="list-style-type: none"> <li>• Number of academic conference presentations</li> <li>• Number of papers published</li> <li>• Number of patents published</li> </ul>	<ul style="list-style-type: none"> <li>• Reduction of social security costs, such as medical expenses, due to extension of healthy lifespans</li> </ul>
(11) Activities contributing to fostering of future generations	<ul style="list-style-type: none"> <li>• Holding events and seminars</li> <li>• Conducting baby consultations (telephone consultations)</li> <li>• Conducting factory tours and diet education</li> <li>• Food support for food bank organizations supporting impoverished families</li> <li>• Food support in infant care centers</li> </ul>	<ul style="list-style-type: none"> <li>• Number of events and seminars held</li> <li>• Number of baby consultations</li> <li>• Number of visitors to factory tours</li> <li>• Number of diet education programs conducted</li> <li>• Number of products donated to food bank organizations</li> <li>• Number of products donated to infant care centers, number of facilities conducting donations</li> </ul>	<ul style="list-style-type: none"> <li>• Achievement of healthy growth for all people</li> <li>• Improvement of eating habits</li> </ul>

## 2) General Company Operations-Related Reporting

- Integrated Report 2020

<https://www.meiji.com/global/investors/results-and-presentations/integrated-reports/>

- ESG Data Book

<https://www.meiji.com/global/sustainability/esg/>

## 3) Financial Status Reporting

Securities reports and financial results information are posted on the Company website.

- Securities Reports/Financial Results Information

<https://www.meiji.com/global/investors/results-and-presentations/>

## 4) Business Status Reporting

We issue reports on an ongoing basis regarding output, outcome, and impact indicators for applicable projects to the extent that they can be disclosed. Information provided may be quantitative or qualitative in nature and may be company-wide or on an individual product basis. In 2020, we will begin addressing new management issues and social needs in light of the progress made so far, striving toward the achievement of the Meiji Group Sustainability 2026 Vision.

### <Referenced Materials>

- I. Green Bond Principles (ICMA, 2018)
- II. Social Bond Principles (ICMA, 2020)
- III. Sustainability Bond Guidelines (ICMA, 2018)
- IV. Green and Social Bonds: A High-Level Mapping to the Sustainable Development Goals (ICMA, 2020)
- V. Green Bond Guidelines (Ministry of the Environment, 2020)
- VI. Green Loan Principles (Loan Market Association)
- VII. Green Loan Principles (Asia Pacific Loan Market Association)
- VIII. Green Loan Principles (The LOAN SYNDICATION AND TRADING ASSOCIATION)
- IX. Green Loan and Sustainability Linked Loan Guidelines (Ministry of the Environment, 2020)
- X. Meiji Holdings Website
- XI. Meiji Holdings Data Book
- XII. Meiji Holdings Integrated Report 2020
- XIII. Meiji Holdings ESG Meeting Materials Sustainability Initiatives (2020/12/09)