January 15, 2021

Name of Company: Meiji Holdings Co., Ltd.
Name of Representative: Kazuo Kawamura, CEO, President and Representative Director
Code Number: 2269, 1st Section, Tokyo Stock Exchange

Notice concerning the Creation of Sustainability Finance Framework

Meiji Holdings Co., Ltd. (President and Representative Director, CEO: Kazuo Kawamura) is pleased to announce that we created a sustainability finance framework based on the four elements defined in the green bond principles and social bond principles outlined by the International Capital Market Association (ICMA). These elements are:

1) Use of Proceeds
2) Process for Project Evaluation and Selection
3) Management of Proceeds
4) Reporting

Today, to ensure conformity to these principles, we 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), a third-party entity.

1. Background and Purpose

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.

Disclaimer: This English translation is prepared for the readers' convenience. When there are any discrepancies between the original Japanese version and English translation version, the original Japanese version always prevails.

2. Use of Proceeds

Theme	Applicable project and conformity to SDGs	Project category	Project overview
Sustainable Procurement	1. Sustainable cocoa bean procurement 	Green Sustainable environmental management of biological natural resources and land use	• Increase procurement ratio of sustainable cocoa beans to 100% by FY2026 (fiscal year ended March 2027) * Cocoa beans produced in regions where we provide support to cocoa farmers through Meiji Cocoa Support mentioned below.
	2. Supporting cocoa farmers (Meiji Cocoa Support) 	Sustainability - Sustainable environmental management of biological natural resources and land use - Socioeconomic improvement and empowerment of the socially vulnerable	• 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). • Contributions including providing saplings, lending agricultural equipment, digging wells, and donating school equipment. • Enlightening activities about cocoa producer nations through Hello Chocolate (*). • Activities in partnership with the World Cocoa Foundation (WCF) aimed at preventing deforestation and eliminating child labor. *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.
	3. Developing a responsible supply chain 	Social Socioeconomic improvement and empowerment of the socially vulnerable	• Conducting supplier surveys and audits • 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.

Theme	Applicable project and conformity to SDGs	Project category	Project overview
Caring for the Earth	4. Energy efficiency and energy creation at domestic and overseas plants 	Green - Renewable energy - Improving energy efficiency - Pollution prevention and management	Install energy-saving and energy creation facilities in new plants and upgrade facilities and existing plants. • 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 CO2 emissions) • Install solar power generation facilities • Purchase electricity from renewable energy sources • Measures to go CFC-free (Install refrigeration/freezer equipment that is energy-saving and CFC-free) Implement the above initiatives to achieve the following KPIs • Reduce group-wide CO2 emission volume by at least 40% compared with FY2015 baseline by FY2030 • Increase the share of renewable energy to at least 50% of group-wide power usage by FY2030 • Eliminate all specified CFCs used in freezers, etc. at domestic production bases by FY2030
	5. Securing and conserving domestic and overseas marine resources 	Green - Pollution prevention and management - Sustainable water resource and wastewater management	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. • 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. • 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. • Use treatment systems appropriate for the wastewater produced by each production process to promote efficient water cleansing and reduce environmental load. • Improve water quality by installing RO membrane systems.

Theme	Applicable project and conformity to SDGs	Project category	Project overview
Caring for the Earth	6. Switching to environmentally friendly packaging (plastic – paper) 	Green - Prevent pollution (creating a circular society) - Highly environmentally efficient products, environmentally friendly manufacturing technology, and processes	R&D, raw materials procurement, and capital investments to reduce and reuse plastic containers • 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. • Biomass plastics and recycled plastics Promote use of biomass plastics and recycled plastics as plastic materials Procure paper from certified forests for product packaging • Established Paper Procurement Guidelines in September 2018. Work with vendors to promote socially responsible paper procurement activities in accordance with these Guidelines.
	7. Local biodiversity conservation activities 	Green Conservation of biodiversity for land and marine life	• Researched status of biodiversity activities led by Kumamoto Prefecture government and NPOs, and proactively participating in activities • KM Biologics Kikuchi Research Center conducting surveys and conservation activities for plants and wildlife living in the Kumamoto Komorebi Forest. • Protecting wild birds and maintaining biodiversity of conservation areas in Meiji Nature Conservation Area in Nemuro City
Healthier Lives	8. Capital investments and R&D for initiatives related to infant nutrition (General infant formulas and special formulas) 	Social - Access to necessary services (health) - Food safety	• Developing and manufacturing cube-type infant formula, a highly convenient product that helps reduce labor for working parents raising infants • Development, manufacturing, and free provision of formulas (special-needs formulas) for infants unable to drink breast milk due to congenital metabolism disorders

Theme	Applicable project and conformity to SDGs	Project category	Project overview
Healthier Lives	9. R&D and capital investments in infectious disease prevention 	Social 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. • Maintaining and managing production facilities for vaccines and pharmaceuticals such as the influenza vaccine • Development and manufacturing of vaccines for predicted epidemics of new viruses (dengue virus, novel coronavirus, etc.)
	10. R&D related to extending healthy lifespans 	Social Access to necessary services (health)	• Promote and advance antiaging research and research on boosting the immunity towards extending healthy lifespans
	11. Activities contributing to fostering of future generations 	Social - Access to necessary services (health) - Food safety	• 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. (Example: Maintenance of plant tour facilities, providing food education and helpdesks for infant nutrition, and making donations to food banks and children's shelters)

3. Process for Project Evaluation and Selection

- In accordance with the Meiji Group Sustainability 2026 Vision, we decided on the use of proceeds and selected applicable projects based on deliberations by the Group Sustainability Committee on important sustainability issues.
- The results of project selection were reported to the Executive Committee and the Board of Directors.

4. Management of Proceeds

- The Financial & Accounting Department will oversee the allocation and management of sustainability finance proceeds procured through this Framework, and report it annually.
- During the period until all proceeds are allocated to selected projects, the amounts allocated to selected projects and the balance of unallocated amounts will be published to our website on an annual basis. Even after the allocation of all proceeds, disclosure will be provided via necessary means in the event of important changes related to the status of allocation.
- Until the allocation of all proceeds is decided, proceeds shall be managed as cash or cash equivalents.

5. 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.
- Output benchmarks, outcome benchmarks, and impact benchmarks related to selected projects shall be reported on continuously to the extent allowed for disclosure. We will disclose this information whether it is quantitative or qualitative and in relation to the entire Company or limited to individual projects.
- 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.

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