

KnowTheChain 2023 Food & Beverage Benchmark

Additional Disclosure

Company Name: Meiji Holdings, Co., Ltd.

Date: 3th February 2023

Guidance:

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note **KnowTheChain has already undertaken a review of your website**. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

<https://www.meiji.com/global/sustainability/sustainable-sourcing.html>

Working to Build a Responsible Supply Chain

In October 2020, we also launched the Sustainable Procurement Survey for Meiji Group business partners, utilizing the EcoVadis evaluation system and Meiji's own questionnaire. In April 2021, we provided feedback on the survey analysis results, and we plan to further expand the scope of companies subject to the survey in the future. By implementing this survey, we will identify whether or not there are any issues related to human rights or the environment in our supply chain. If there are any items requiring remediation, we will engage our business partners in dialogue and work with them to resolve these issues, building a stronger and more responsible supply chain.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

<https://www.meiji.com/global/investors/governance/corporate-governance.html>

Stock-based compensation

Payment amount calculation method

We set the Meiji ROESG®, which is calculated based on ROE figures and the results of ESG initiatives, as a performance indicator. The payment amount is calculated by multiplying the base amount by a coefficient calculated as detailed below. :

-We calculate the Meiji ROESG®, which combines ROE and ESG indicators (external evaluations). The coefficient is set to 100% for 13pts. Limited to FYE March 2024, the final year of the 2023 Medium-Term Business Plan, we will add 1pt to the Meiji ROESG® for each item achieved for ESG targets (Unique to Meiji).

-The minimum score for Meiji ROESG® is 9pt and the maximum score is 17pts. The coefficient will vary between 50% and 150% depending on the Meiji ROESG® score.

-No stock compensation will be paid if the Meiji ROESG® score is less than 5pt for two consecutive years.

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2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

<https://www.meiji.com/global/sustainability/thriving-communities/society.html#respect-and-promote-human-rights>

Initiatives for risk assessment, mitigation, and remedy

3) Human rights education

We conducted an e-learning course on the topic of "Business and Human Rights," which included familiarization with the Meiji Group Policy on Human Rights. Approximately 12,000 Group employees within Japan and 770 Group employees overseas took this course.

Group Employee Training

We engage in education and training activities related to respect for human rights and prohibition of discrimination, prohibition of forced and child labor, prohibition of harassment, safe and healthy workplaces, respect for fundamental rights of employees, and more, based on the Meiji Group Policy on Human Rights.

In-Company Training

In FY2021, we provided e-learning on the topic of "Business and Human Rights" to approximately 12,000 employees in Japan, and conducted human rights education for around 770 employees overseas. The purpose of these initiatives is to familiarize employees with the Meiji Group Policy on Human Rights and raise awareness of human rights issues related to their daily work.

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

<https://www.meiji.com/global/sustainability/collaboration.html>

G7 Sustainable Supply Chains Initiative

Since 2021, the Meiji Group has been a member of the G7 Sustainable Supply Chains Initiative. G7 Sustainable Supply Chains Initiative expect leading food and agriculture companies from G7 countries to commit to take action that will improve the environmental, social and nutritional impact of their operations and supply chains.

<https://mneguidelines.oecd.org/g7-sustainable-supply-chains-initiative-statement-on-delivering-sustainable-agricultural-supply-chains.pdf>

Our CEO signed G7 sustainable supply chains initiative statement and attend the meetings of the initiative.

UN Food Systems Summit

The UN Food Systems Summit was held to discuss the sustainability of food systems as a worldwide issue in September 2021. Our CEO participated in CEO consultation which is a preparatory meeting soliciting recommendations on food systems from various CEOs.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

https://www.meiji.com/global/sustainability/sustainable-sourcing/pdf/Meiji_Group_Palm_Oil_Mill_List.pdf

We disclosed the sourcing countries in Palm Oil Mill List.

<https://www.meiji.com/global/food/milk/>

We sell milk only in Japan and China. CP Meiji in Thailand isn't consolidated. Our sourcing countries of raw milk are only Japan and China.

We disclose sourcing countries for three high-risk raw materials.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

<https://www.meiji.com/global/sustainability/collaboration.html>

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<https://www.meiji.com/global/sustainability/collaboration.html>

World Cocoa Foundation

International Cocoa Initiative

Global Dairy Platform

International Dairy Federation

<https://www.meiji.com/global/sustainability/thriving-communities/society.html#respect-and-promote-human-rights>

Initiatives for risk assessment, mitigation, and remedy

1) Risk assessment and response in the supply chain

4.2 details on forced labour risks identified in different tiers of its supply chains; and

https://www.meiji.com/global/sustainability/sustainable-sourcing/pdf/Meiji_Cocoa_Support_Program.pdf

https://www.meiji.com/global/sustainability/sustainable-sourcing/pdf/Meiji_Cocoa_Support_Program.pdf

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2. Efforts to Eliminate Child Labor

Child labor cases identified (# of cases) 20

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

https://www.meiji.com/global/sustainability/sustainable-sourcing/pdf/Meiji_Cocoa_Support_Program.pdf

2. Efforts to Eliminate Child Labor In Ghana, where the risk of child labor is said to be high, we are gradually introducing a Child Labor Monitoring and Remediation Systems (CLMRS*) and other measures to eliminate it.

<https://www.meiji.com/global/sustainability/sustainable-sourcing.html>

Joining the International Cocoa Initiative (ICI)

In October 2021, Meiji Co., Ltd. became the first Japanese company to join the (ICI), an NPO that engages activities to eradicate child labor and forced labor in cocoa-growing regions.

In cooperation with the Japan International Cooperation Agency (JICA), we will further promote actions to eliminate child labour in cocoa-producing areas.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

<https://www.e-stat.go.jp/en/stat-search/files?page=1&layout=datalist&toukei=00500209&tstat=000001032920&cycle=7&year=20200&month=0&tclass1=000001147146&tclass2=000001163067>

Agriculture Management Entities (Individual Management Entities)

3. (2) Number of Household Members by Age Group

1724783/3489686=49.4% in Japan

5.2 the percentage or number of supply chain workers who are migrant workers' and

<https://www.maff.go.jp/j/tokei/sihyo/index.html>

Above website is only In Japanese.

3.8 %

5.3 the percentage or number of supply chain workers that are being paid a living wage.

<https://www.maff.go.jp/j/tokei/sihyo/index.html>

Above website is only In Japanese.

Average income is 1,254,000 Yen.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources any of the below high-risk commodities. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Beans (green, soy, yellow)
- Brazil Nuts/Chestnuts
- Cattle
- Chile Peppers

- Cocoa
- Coffee
- Corn
- Fish
- Oil (palm)
- Peanuts
- Rice
- Sesame
- Shrimp
- Sugarcane
- Tomatoes
- Wheat