

# Our CSV Commitment

In 2017, the Kirin Group selected being “a responsible alcohol producer,” “health and well-being,” “community engagement,” and “the environment” to be key social issues among the various social issues that affect the Group. In the same year, we formulated our CSV Commitment, with reference to the Sustainable Development Goals (SDGs), in order to face these social issues. As part of the Kirin Group’s long-term management vision, “Kirin Group Vision 2027” (KV2027), we aim to become a global leader in CSV. To this end, we have formulated our CSV Purpose in 2027 in order to create shared value with society. To reach this goal, we have positioned our CSV Commitment as an action plan and established it as a non-financial target in the “2019-2021 Kirin Group Medium-Term Business Plan”. We will raise the effectiveness of CSV throughout the Group and actively disclose our results.



CSV Key Issues	CSV Purpose and CSV Story	SDGs Target	Our Commitment	Our Approach	Our Achievement	Goals for 2021
A Responsible Alcohol Producer	<p><b>Make steady progress toward eradicating the harmful use of alcohol in all countries of operation (Zero Harmful Drinking)</b></p>  <p>While alcohol can bring joy to people's lives, it can also harm people's health if consumed inappropriately. As a corporate group that produces alcoholic beverages, we are working to resolve alcohol-related problems so that a culture of enjoying alcoholic beverages can be passed down to the next generation.</p>	<p>Target 3.5 Target 3.6 Target 17.16 Target 17.17</p>	<p><b>0.1</b> Responsible drinking / passing a culture of enjoying alcoholic beverages to the next generation</p> <p>We will work toward eradicating the harmful use of alcohol, consistent with regional challenges. We will also work to develop no- and lower-alcohol products in each category and improve consumer acceptance of these products.</p>	<ul style="list-style-type: none"> <li>We will take measures to promote education in appropriate drinking and drinking manner in line with regional challenges.</li> <li>We will increase development of our no- and lower-alcohol products to provide a greater breadth of options for our customers.</li> <li>We will label each product with its alcohol content to support responsible drinking habits for our consumers.</li> </ul>	<ol style="list-style-type: none"> <li>Number of participants in appropriate drinking education programs / viewers of drinking manner advertisements</li> <li>Expansion of sales of no- and lower-alcohol products</li> <li>Percentage of products with alcohol content labels</li> </ol> <p>KB ME LN MBL</p>	<ol style="list-style-type: none"> <li>One million participants / viewers</li> <li>KB : 115% (compared with 2018) ME: 105% (compared with 2018) LN: Maintaining the high proportion of the less than full strength category in Australia</li> <li>KB: 100%*1 in 2027 (will begin by 2024) MBL: 20% LN: 100%</li> </ol>
Health and Well-being	<p><b>Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in the healthcare</b></p>  <p>We develop safe, secure products in our food and beverages businesses that both taste great and support self-care. We also provide new products and services and new drug creation that leverage the strengths of our pharmaceutical and bio-chemical businesses. Through these actions, we help our customers develop physical and mental health and improve their quality of life.</p>	<p>Target 3.4 Target 17.16 Target 17.17</p>	<p><b>1.1</b> Supporting self-care for healthy people and people with pre-disease</p> <p>We will help consumers manage their daily energy (calories/kilojoules) and nutrient intake by providing a balanced portfolio of products and information, supporting them in addressing obesity and other major non-communicable diseases (NCDs).</p>	<ul style="list-style-type: none"> <li>To reduce the proliferation of NCDs, we will create a portfolio of products that contribute to the health of our customers, including products with low-sugar, no- sugar, and low-calorie content, in addition to products with positive health effects.</li> </ul>	<ol style="list-style-type: none"> <li>Development and expansion of sales of no- and low-sugar, low-calorie products and products with positive health effects.</li> <li>Development and expansion of sales of products containing ingredients proven to have health functions.</li> </ol> <p>KBC KIW</p>	<ol style="list-style-type: none"> <li>115% (compared with 2018)</li> <li>115% (compared with 2018)</li> </ol> <p>KIW 1+2) Ratio of over 50%</p>
		<p>Target 9.5 Target 17.16 Target 17.17</p>	<p><b>1.2.a</b> Creating new value for healthy people and people with pre-disease</p> <p>We will contribute to enhancing customers' quality of life throughout their lifetime, and strive to create revolutionary products, services, and new businesses.</p>	<ul style="list-style-type: none"> <li>In anticipation of a diversifying set of health needs, we will propose methods to utilize Group assets, which include ingredients with scientifically proven positive health effects (such as Lactococcus lactis strain Plasma)</li> <li>We will continuously create ingredients with positive health effects and thereby create new value by deepening our research through collaboration with academic institutions in Japan and overseas.</li> </ul>	<p>Number of countries capable of purchasing Kirin-made ingredients with positive health effects (and total population)</p> <p>KH</p>	<p>5 countries (roughly 650 million people)</p>
		<p>Target 9.5 Target 17.16 Target 17.17</p>	<p><b>1.2.b</b> Supporting self-care for healthy people and people with pre-disease</p> <p>We will contribute to enhancing customers' quality of life throughout their lifetime, and strive to create revolutionary products, services, and new businesses.</p>	<ul style="list-style-type: none"> <li>We will support patients in their recovery by providing a variety of raw materials for drugs and healthcare foods.</li> <li>We will help people lead healthy lives by providing ingredients with positive health effects for supplements, drinks, and foods and by expanding sales of mail-order products.</li> </ul>	<ol style="list-style-type: none"> <li>Number of patients using products made with our raw materials</li> <li>Number of consumers using products with our raw materials</li> </ol> <p>KHB</p>	<p>1+2) 43 million (in 2027)</p>
		<p>Target 3.8 Target 17.16 Target 17.17</p>	<p><b>1.3</b> Evolution in medical treatment</p> <p>We will continuously develop innovative drugs with our cutting-edge biotechnology and expand our commercialization activities globally.</p>	<ul style="list-style-type: none"> <li>Based on our two strength of R&amp;D and production capability acquired through developing and providing biologics, we will strengthen our drug discovery foundation and continuously provide products in our four main modalities—therapeutic antibodies, small molecule drugs, nucleic acid drugs, and regenerative therapeutics, using effective open innovation.</li> <li>Specifically, we will provide treatments for patients suffering from rare diseases such as X-linked hypophosphatemia (XLH)</li> </ul>	<ol style="list-style-type: none"> <li>Number of new drugs discovered in-house and launched in multiple regions</li> <li>Number of countries with markets for these new drugs</li> </ol> <p>KKC</p>	<ol style="list-style-type: none"> <li>Three or more products launched in multiple regions</li> <li>Over 50 countries</li> </ol>
		<p>Target 3.8 Target 3.b Target 17.16 Target 17.17</p>	<p><b>1.4</b> Evolution in medical treatment</p> <p>By providing inexpensive, high-quality biosimilars and “authorized versions” of biologics, we will contribute to the further use of biomedicines, and help increase healthcare spending, which is a global issue.</p>	<ul style="list-style-type: none"> <li>We will proceed with the development of biosimilars, aim to quickly obtain manufacturing and marketing approval, and begin sales.</li> <li>We will establish a new company with the aim of obtaining manufacturing and marketing approval in Japan for an authorized version of NESP®.</li> </ul>	<ol style="list-style-type: none"> <li>Acquire approval for biosimilars in accordance with the patent regulations in each country and region and begin sales.</li> <li>Acquire approval for NESP® authorized generics</li> </ol> <p>KKC</p>	<p>Targets 1 and 2 were achieved in 2018</p>
		<p>Target 3.4 Target 17.16 Target 17.17</p>	<p><b>1.5</b> Health and productivity management</p> <p>As a company that delivers products and services contributing to consumer health, we will create an environment and opportunities for our employees to proactively improve their own health. We will also address any mental health issues facing our employees and work to prevent non-communicable diseases (NCDs). Also, as an alcohol producer, we will promote responsible drinking that encourages employees to be role models for society.</p>	<ul style="list-style-type: none"> <li>We will establish a system facilitating a more flexible workstyle and create conditions that are easy to work within to ensure that employees can perform in a lively manner and to improve our corporate culture.</li> <li>We will assist employees in self-directing the maintenance and improvement of their own health and taking an active role in their mental and physical well-being, with emphasis on mental health and responsible drinking.</li> </ul>	<ol style="list-style-type: none"> <li>Recognized under the certified Health and Productivity Management; “White 500”</li> <li>Engagement surveys regarding work-life balance and workstyle reforms</li> <li>Stress checks (“psychological lively”) score</li> <li>Drinking habits screening tests (AUDIT) score</li> </ol> <p>KH KB KBC ME KKC</p>	<ol style="list-style-type: none"> <li>Consecutive recognition under “White 500”</li> <li>Improvement compared with 2018</li> <li>Score of 115</li> <li>Over 78% (less than 10 points scored)</li> </ol>
		<p>Target 2.4 Target 17.16 Target 17.17</p>	<p><b>1.6</b> Safety and security of our products</p> <p>We will establish a hygiene management system for the production process based on global standards and continue to work on improving product safety. Also, we will enhance communication related to quality in order to build trust and increase a sense of security among our customers.</p>	<ul style="list-style-type: none"> <li>We will promote a sanitation management system that utilizes the Global Food Safety Initiative (GFSI) on a global scale.</li> <li>We will communicate information about our initiatives for ensuring raw material safety, including residual agricultural chemicals and radioactive substances, to our customers.</li> <li>We will disclose product and raw material information that meets customers' expectations by utilizing various touchpoints, including our company websites, in-store programs, and plant tours.</li> </ul>	<p>Certification rate for GFSI-recognized schemes</p> <p>KG</p>	<p>100% (in 2024)</p>

CSV Key Issues	CSV Purpose and CSV Story	SDGs Target	Our Commitment	Our Approach	Our Achievement	Goals for 2021
Community Engagement	<p><b>Create more opportunities for customers to spend time with their families and friends, and develop the communities within our supply chain</b></p>  <p>We live in a time when the weakening bonds between people are cause for concern. We want to create more opportunities for customers to enjoy time with their families and friends while also working to solve problems that our raw material producers may encounter. In doing so, we will help form rich and vibrant local communities and promote community vitalization and strengthen our business foundation through those actions.</p>	Target 11.a Target 17.16 Target 17.17	<b>2.1</b> Contributing to community vitalization  We will increase the bonds between people by creating opportunities to enjoy our products and services.	<ul style="list-style-type: none"> <li>▶ We will create and increase opportunities that bring people together at dining tables, recreational activities, celebrations, and sports and music events with our products.</li> </ul>	Group targets are under consideration	—
		Target 2.3 Target 8.9 Target 17.16 Target 17.17	<b>2.2.a</b> More sustainable production of raw materials  We will work on improving the quality and stable procurement of Japanese hops and brew unique beers that can only be made with them while contributing to the revitalization of key producing areas.	<ul style="list-style-type: none"> <li>▶ We will look at our goals from a long-term perspective, aiming to maintain a stable harvest and improve the quality of Japanese hops. We will also strive to increase the attractiveness of the region where Japanese hops are harvested and to support infrastructure for hop production, including people and equipment.</li> <li>▶ We will enhance the value of Japanese hops to increase demand for Japanese hops by producing unique beers with Japanese hops and work with craft brewers.</li> </ul>	Japanese hops procurement  KB	100 t (in 2027) Note: If no measures are taken, volume is expected to decrease by half in 2027.
		Target 2.3 Target 8.9 Target 17.16 Target 17.17	<b>2.2.b</b> More sustainable production of raw materials  We will drive development of Japanese wines to ensure their global recognition and contribute to revitalizing key producing areas and local communities, which are the foundations of growing grapes and making wines.	<ul style="list-style-type: none"> <li>▶ We will welcome more farming to our wineries and work to revitalize their surrounding regions. At the same time, we will raise the global profile of Japanese wines through our Chateau Mercian brand.</li> <li>▶ We will improve the quality of grapes produced at our own vineyards while supporting contracted vineyards and secure a stable supply of grapes for our high-quality Japanese wines. In addition, we will increase our long-term yield of grapes by increasing our own vineyards.</li> </ul>	1) Number of visitors who purchased our products at our cellar doors and winery shops 2) Volume of grapes produced at our vineyards  ME	1) To be determined based on 2019 results 2) 100 t (in 2021) and 200 t (in 2027)
		Target 1.2 Target 2.3 Target 4.b Target 8.9 Target 17.16 Target 17.17	<b>2.2.c</b> More sustainable production of raw materials  We will create highly sustainable conditions for procuring Myanmar rice for brewing while fulfilling our social responsibilities to the region.	<ul style="list-style-type: none"> <li>▶ We will promote contracted farming of domestic rice for brewing, thus contributing to the stable income of farmers.</li> <li>▶ We will utilize the JICA-KIRIN fellowship program and cooperate with the Japanese embassy in Myanmar, JICA, JETRO, and trading companies to develop human resources who will shoulder Myanmar's agricultural future.</li> <li>▶ We will promote to use materials from Myanmar, create jobs, and contribute to economic revitalization.</li> </ul>	1) Contracted farming ratio of procured rice for brewing 2) Temp staffing to meet the requirements of the JICA-KIRIN fellowship program, and promotion of human resource development by supporting JICA-sponsored agricultural seminars. 3) Ratio of materials from Myanmar  MBL	1) 10% 2) Deployment of one worker or more annually. 3) Can materials 70%
		Target 2.3 Target 8.9 Target 15.4 Target 17.16 Target 17.17	<b>2.2.d</b> More sustainable production of raw materials  We will support Sri Lankan black tea farmers through such long-term initiatives as facilitating the acquisition of Rainforest Alliance certification, and expand the use of certified tea leaves.	<ul style="list-style-type: none"> <li>▶ We will help producers of black tea leaves by facilitating the acquisition of Rainforest Alliance certification, in order to ensure the sustainable procurement of tea leaves.</li> <li>▶ We will expand the use of Rainforest Alliance-certified tea leaves over the long term.</li> </ul>	Number of small-scale farmers supported for acquisition of Rainforest Alliance certification  KH KBC	10,000 farmers (in 2025)
		Target 12.6 Target 12.7 Target 17.16 Target 17.17	<b>2.2.e</b> More sustainable production of raw materials  We will develop long-term, sustainable mutually beneficial partnerships with our raw material and packaging suppliers, which build a favorable demand for our products and ensure sustainable returns and the creation of value through the supply chain.	<ul style="list-style-type: none"> <li>▶ We will build a sustainable supply chain for our business operations in Australia and contribute to the society in the region with consideration for human rights, labor standards, health and safety, the environment, and business ethics.</li> </ul>	1) Ratio of SEDEX membership in 1st tier supplier 2) Compliance with the Australian Modern Slavery Act  LN	1) 100% 2) 100%
The Environment	<p><b>Enrich the sustainable Earth for future generations through positive impact</b></p>  <p>As a company that benefits from the many blessings of nature, including water and agricultural products, we recognize that the sustainability of the global environment is essential to ensuring the continuity of our business. By reducing the environmental burden in our value chain through such means as creating eco-friendly containers and packaging and addressing the issue of climate change, we are able to strengthen our business foundation. Under the Kirin Group Environmental Vision 2050, revised in 2020, we aim to enrich the sustainable Earth for future generations through positive impact.</p>	Target 7.2 Target 13.1 Target 17.16 Target 17.17	<b>3.1</b> Actions regarding climate change  We will work to further reduce Green house gas (GHG) emissions through various initiatives, including the introduction of renewable energy.	<ul style="list-style-type: none"> <li>▶ We will promote the introduction of renewable energy.</li> <li>▶ We will promote energy conservation.</li> </ul>	1) Renewable energy ratio for plant purchased electric power 2) Install solar power generation facilities 3) Reduction ratio of GHG emission (Scope 1 and 2) 4) Reduction ratio of GHG emission (Scope 3)  KG	KB 1) 50% (in 2030) LN 2) 10MW (in 2026) KG 3) 30% (in 2030, compared with 2015) 4) 30% (in 2030, compared with 2015)
		Target 3.9 Target 6.4 Target 17.16 Target 17.17	<b>3.2</b> Actions regarding water resources  We will reduce water use in production activities and continuously preserve water sources.	<ul style="list-style-type: none"> <li>▶ We will promote water saving at our plants.</li> <li>▶ We will investigate major hydrographic vulnerabilities at our production sites.</li> <li>▶ We will continue to conserve water sources at our production sites.</li> </ul>	1) Unit Water consumption reduction rate in 2020 2) Water consumption reduction rate in 2030  MBL KKC KHB	MBL 1) 25% (in 2020, compared with 2015) KKB, KHB 2) 30% (in 2030, compared with 2015)
		Target 15.4 Target 17.16 Target 17.17	<b>3.3</b> Actions regarding biological resources  We will protect the natural environment and preserve the ecosystems surrounding our business sites as well as areas producing raw materials.	<ul style="list-style-type: none"> <li>▶ We will promote our efforts related to biological resources at major material production sites.</li> <li>▶ We will strive to secure resources that may lead to deforestation in a sustainable manner.</li> </ul>	1) Use of FSC-certified paper or recycled paper for office paper 2) Use of FSC-certified paper for paper containers and packaging*2 3) Actions regarding sustainable palm oil  KH KB KBC ME	1) 100% 2) 100% 3) 100%*3
		Target 12.2 Target 12.4 Target 14.1 Target 17.16 Target 17.17	<b>3.4</b> Actions regarding containers and packaging  We will continue to reduce the weight of containers and packaging while relying less on non-renewable resources and increasing the sustainability of materials.	<ul style="list-style-type: none"> <li>▶ We will strive to maintain the 3Rs and resource circulation for containers and packaging.</li> <li>▶ We will increase use of sustainable materials for our containers.</li> <li>▶ We will introduce Life Cycle Assessment (LCA) and select container raw materials at an early stage of container / product development.</li> </ul>	1) Conversion rate of PET bottle resin to recycled resin 2) Recyclability of container material 3) Recycled material ratio for containers and packaging materials  KB KBC ME LN	KBC, KB and ME 1) 50% (in 2027) LN 2) Over 90% (in 2030) 3) Over 50% (in 2030)
		Target 2.4 Target 12.3 Target 17.16 Target 17.17	<b>3.5</b> Reduction of food waste  We will reduce the amount of product waste generated stemming from factory shipment to delivery to our partners.	<ul style="list-style-type: none"> <li>▶ We will reduce inventory excess (which leads to waste) through more accurate supply and demand predictions.</li> <li>▶ We will reduce product waste by implementing thorough quality control.</li> </ul>	Rate of product waste reduction  KB KBC ME	75% (in 2025, compared with 2015)

KG: Kirin Group, KH: Kirin Holdings, KB: Kirin Brewery Company, Limited, KBC: Kirin Beverage Company, Limited, ME: Mercian Corporation, KIW: Koiwai Dairy Products Company, Limited, KKC: Kyowa Kirin Company, Limited, KKB: Kyowa Hakkō Bio Company, Limited, LN: Lion Proprietary Limited MBL: Myanmar Brewery, Limited

\*1. 350ml and 500ml canned beer (beer and new genre) and RTD

\*2. 6-can packs, gift boxes, drink boxes, cardboard cartons for products

\*3. Using Book and Claim model, which is a model for the trading of certificates approved by the Round Table of Sustainable Palm Oil

We updated our commitment in February 14, 2020