

Human Impact Assessment of the Argentine Grape juice Processing Factory

The Kirin Group revised the Kirin Group Sustainable Procurement Policy*1 and the Kirin Group Sustainable Supplier Code*2. Based on the results of the evaluation, we have set the implementation of ongoing human rights due diligence in the supply chain of procured goods with high human rights risks as an indicator of our CSV commitment in the 2022 Mid-Term Business Plan. In 2023, we conducted a human rights impact assessment (HIRA*3) of our supply chain in Argentina, which has the highest procurement volume and highest human rights risk by country, through a third-party organization, Preferred by Nature*4, and received a report in November 2023.

*1 [Kirin Group Sustainable Procurement Policy](#) *2 [Kirin Group Sustainable Supplier Code](#)

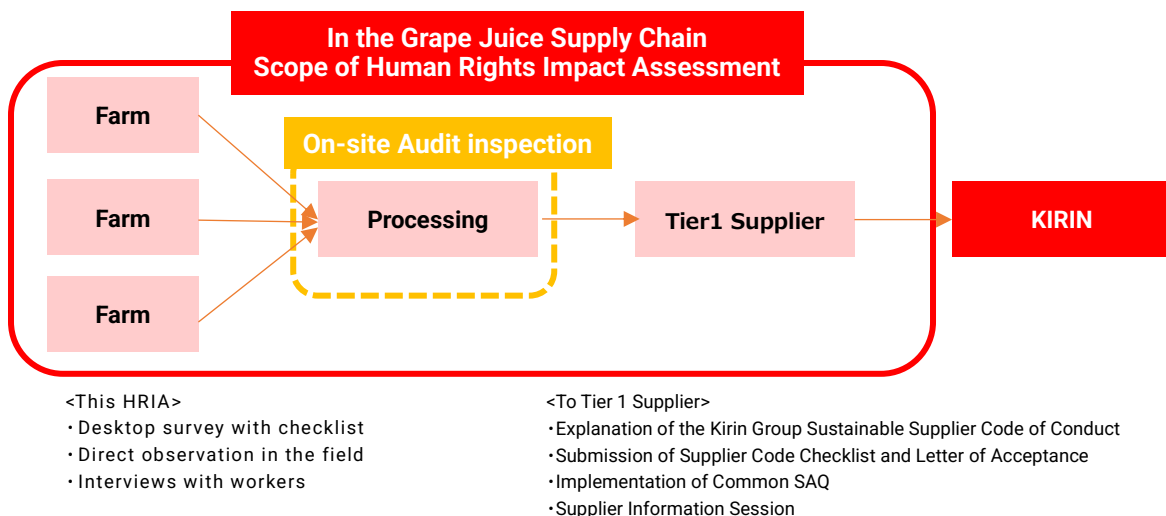
*3 HIRA: Human Rights Impact Assessment

*4 [Preferred by Nature](#): a non-profit organization working to support better land management and business practices that benefit people, nature, and the climate in 100+ countries.

1. HRIA Scope and Methodology

This human rights impact assessment was conducted on a grape juice processing factory with the highest procurement volumes. The assessment was conducted by Preferred by Nature auditors with the cooperation of our direct primary suppliers and local suppliers, using the assessment methods specified in the Kirin Group Sustainable Supplier Code.

Grape Juice Supply Chain



2. Scope of coverage

Grape juice processing factory of the Mendoza Province, Argentine.

3. Evaluation Topics

The topics for evaluation were Management, Labor Management Dialogue, Environment, Health, and Safety (EHS), Hygiene, Disaster Prevention Management, First Aid, Food Safety, Hiring/Recruiting, Organization Chart, Work Rules and Labor Contract, Harassment /Abuse, Work Records, and Wage.

4. Assessment Methodology

The evaluation checklist specified in the Kirin Group Sustainable Supplier Code of Conduct was prepared and used for the on-site audit. The evaluation was conducted in the following two steps.

(i) A desktop survey using an evaluation checklist to review the factory's policies and procedures prior to the field visit.

(ii) Conducted a 1.5-day on-site evaluation and direct observation by Preferred by Nature's audit team, interviewing and reviewing evidence from workers, union representatives, supervisors, committee representatives, facility and department managers, male and female.

5. Assessment Results

Although there were some recommendations regarding documentation and supplier management systems, no significant non-compliance was found. Good practices were found in quality management systems and environmental certification efforts.

6. Dialogues with Stakeholders

In addition to auditor interviews in the audit, we conducted dialogues with multiple workers at the grape juice processing factory on the theme of labor safety and health, both face-to-face and online. From the workers, we obtained hearing results such as measures taken for training for earthquakes and fires, and satisfaction with the flexibility of working hours.

7. Future Steps

For the identified issues, we have started communication by sharing the audit report with the primary supplier to conduct fact-checking and have formulated response policies for improvement. Regarding supplier management systems, improvements are already in progress. The progress of the initiatives will be disclosed in a timely manner on our company's website.

Countermeasure	Implementation period
•Share the audit report and request improvements to the primary supplier and the factory	December 2023 (Completed)
•Develop measures and initiatives	January 2024 (Completed)
•Progress confirmation of the initiatives	From January 2024
•Progress report on initiatives (on our website)	June 2024