1. Introduction

Kirin Holdings Company, Limited (hereinafter, “The company” or “Kirin”) has previously established the “Green Bond Framework” and the “Kirin Sustainable Finance Framework,” and has aimed to further promote CSV management within the Kirin Group and solve social issues, through the execution of various types of Sustainable Finance. As part of these efforts, Kirin is considering Social Finance as a means of raising funds for the acquisition of shares in Blackmores Limited (hereinafter, “Blackmores”), which is consistent with “health and well-being”, one of the key issues within Kirin’s CSV, and is also highly complementary to the company’s health science business.

Kirin considers this Social Finance as an opportunity to enhance stakeholders’ understanding of its commitment to its growth strategies and key areas, and has decided to establish an independent Kirin Social Bond Framework (hereinafter, “this Framework”), with this acquisition of shares as an eligible project. Kirin has obtained a second party opinion from DNV BUSINESS ASSURANCE JAPAN K.K. (hereinafter, "DNV"), an independent external reviewer, that this Framework is aligned with Social Bond Principles 2023 (SBP) set by the International Capital Market Association (ICMA) and Social Bond Guidelines 2021 (SBGLs) set by the Financial Services Agency of Japan.

1.1 About Us

Kirin is the holding company of the Kirin Group, which includes Kirin Brewery Company, Limited, Kirin Beverage Company, Limited, Lion Pty Ltd, Kyowa Kirin Co., Ltd., Mercian Corporation, Coca-Cola Beverages Northeast, Inc., Kyowa Hakko Bio Co., Ltd., etc. Headquartered in Tokyo, the Kirin Group mainly operates in Japan, Asia, and Oceania. Based on fermentation and biotechnology cultivated since its foundation, Kirin expanded into the Food domain (alcoholic & beverages business), the Pharma domain (pharmaceutical business), as well as the Health Science domain (health science business), an intermediate domain between the two.
2 Kirin Group’s Sustainability Management

2.1 Corporate Philosophy

Kirin brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.

Kirin Group Corporate Philosophy

Kirin brings joy to society by crafting food and healthcare products inspired by the blessings of nature and the insights of our customers.

2.2 Kirin Group’s CSV Management

Kirin Group will continue to create social and economic value together with all of its stakeholders and work to grow sustainably with society. To achieve this, we identified social issues that needed to be solved as "Key Issues addressed by Kirin Group," and designated the fulfillment of its roles as “A Responsible Alcohol Producer,” “Health and Well-Being,” “Community Engagement,” and “The Environment” as four “CSV Key Issues”. We have also developed the "CSV Purpose" as a set of guidelines for the role and purpose expected to us in society and have established an action plan to realize these guidelines as our "CSV Commitment" to be implemented throughout the Group.
2.2.1 Key Issues addressed by Kirin Group

Kirin Group has organized its "Management issues for Sustainable Growth” in the Kirin Group Materiality Matrix (please refer to the following graph) with a view to continue developing sustainably with society in the future.

Based on social issues related to its businesses, the Group designated the fulfillment of its role as “A Responsible Alcohol Producer” along with “Health and Well-Being”, “Community Engagement”, and “The Environment” as four “CSV Key Issues”.

- Management Issues for Sustainable Growth—Group Materiality Matrix (GMM) -
2.2.2 CSV Purpose

To create value and grow sustainably with society, Kirin Group established a CSV Purpose corresponding to each of its four CSV key issues as its Long-Term Management Vision, Kirin Group Vision 2027. One of the long-term management goals is our “CSV Purpose”—guiding principles aimed at sustainable growth and creating value together with people across society. Going forward, we will continue our work through our management to resolve these CSV key issues, and in doing so, we will bring joy to society and contribute to a joyful life for our customers.
### 2.2.3 CSV Commitments

To work toward solving its key CSV issues, Kirin Group establishes CSV Commitments as a medium-term business plan. We will create social value and economic value as enhanced competitiveness and business growth, and deepen our CSV management through our efforts on CSV Commitments.

* The table below is an excerpt from the CSV Commitments

<table>
<thead>
<tr>
<th>CSV key issues</th>
<th>CSV Commitment</th>
<th>approach</th>
<th>Company/Department</th>
<th>Goals (in 2024)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Responsible Alcohol Producer</td>
<td>Dealing with alcohol-related problems</td>
<td>Participation in and number of views of programs to raise awareness of appropriate drinking</td>
<td>Kirin Brewery</td>
<td>Cumulative total 750,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Menel</td>
<td>Cumulative total 7,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lion</td>
<td>Cumulative total 100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kirin Holdings CSV strategy Dept.</td>
<td>Cumulative total 185,000</td>
</tr>
<tr>
<td>Health and Well-being</td>
<td>Support for maintaining the immune system</td>
<td>Recognition rate of the function of Lactococcus lactis strain Plasma</td>
<td>Kirin Holdings Health Science business Dept.</td>
<td>45%</td>
</tr>
<tr>
<td>Community Engagement</td>
<td>Respect for human rights</td>
<td>Number of initiated human rights due diligence on supply chains for agricultural products with high human rights risk</td>
<td>Kirin Holdings Procurement Dept.</td>
<td>3 cases</td>
</tr>
<tr>
<td>The Environment</td>
<td>Overcoming climate change</td>
<td>GHG (Greenhouse Gas) emission reduction rate: Scope1-2</td>
<td>Kirin Brewery Company</td>
<td>20% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kirin Beverage Company</td>
<td>17% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Menel</td>
<td>26% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Lion</td>
<td>26% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Myanmar</td>
<td>12% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kyowa Hakko Bio Company</td>
<td>22% (compared with 2010)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Kyowa Kirin Company</td>
<td>51% (compared with 2019)</td>
</tr>
</tbody>
</table>
2.3 Kirin Group’s CSV Governance

The Group CSV Committee, chaired by the President & CEO of Kirin, discusses the formulation of CSV policies, strategies, and action plans, and monitors the implementation of these plans in order to promote CSV actively and voluntarily. In order to enhance the effectiveness of the CSV policies and strategies decided by the Group CSV Committee, we established the CSV staff meeting, which is composed of managers from each division and the planning divisions of major group companies, to share information and exchange opinions.

2.4 Objectives and Background of the Kirin Social Bond Framework

2.4.1 Rationale for the Acquisition

Under Kirin’s long-term management vision “Kirin Group Vision 2027 (KV2027)“, we aim to “become a global leader in CSV by creating value across our world of Food & Beverages to Pharmaceuticals”.

Since the foundation of the Kirin Group in 1907, in particular, in the field of people’s “health and well-being”, we have developed its expertise in fermentation and biotechnology through its beer business, has been conducting research on microorganisms and plants for many years. This has led to the discovery and development of numerous ingredients that can help address health issues, and to the achievement of “raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare”. The Kirin
Group develops safe and secure products in our food and beverages businesses that both taste great and support self-care. We also provide new products and services and develop new medicines 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. We believe that we can make progress towards solving social issues related to people’s health and well-being by improving people’s quality of life and preventing diseases, which in turn can drive future growth opportunities for our company.

To achieve business growth, deliver evidence-based, high-value ingredients, and contribute to solving the health issues of even more consumers, we launched the Health Science domain, which is positioned in line with Food & Beverages and Pharmaceuticals, in 2019. In the current medium-term plan for 2022-2024, the company plans to "scale up business in the Health Science domain that will become a large pillar of the future," and to grow operating cashflow by investing the group’s management resources. In addition, the company has announced its policy to consider a wide range of M&A investment opportunities in Japan and overseas in order to develop the Health Science domain as a next-generation growth pillar, as it aims to achieve 200 billion yen in sales revenue and 15% business profit margin by 2027. In this context, we acquired Blackmores, the largest nutritional supplement company with a proud history of more than 90 years in Australia, as a subsidiary with the aim of creating further economic and social value through solving more health challenges for people all over the world and achieving further growth in the Asia-Pacific region.

The acquisition of Blackmores is highly complementary to our existing Health Science business and is consistent with our KV2027 strategy. The two companies share the same philosophy and have a lot in common, with Kirin’s approach to global growth by resolving social issues related to people’s health and well-being, and Blackmores’ approach to solving health issues for people in Asia-Pacific by utilizing its knowledge of nature science and naturopathy.
2.4.2 Outline of Blackmores

Blackmores’ key products and brands include; “Blackmores” vitamin and dietary supplement and infant milk formula, “BioCeuticals” nutritional and therapeutic supplements, and “PAW by Blackmores” pet supplements which are sold in markets in the Asia-Pacific region.

With Blackmores’ stated purpose “to give people a choice to make living well each day a natural way of life” and mission to “Combine our knowledge of nature and science to deliver qualify solutions to bring wellness to people and their pets everywhere, everyday”, Blackmores has contributed to the health of people in Asia-Pacific for nearly a century through research and development of natural health built on the principles of naturopathy.

Blackmores has a strong presence and trust from consumers in Malaysia, Thailand, Indonesia, Vietnam, and Singapore, having first expanded into Southeast Asia in 1976. Blackmores has a strong position as a foreign-affiliated nutritional supplement company in China, having entered the market in 2013. In recent years, Blackmores has also been actively expanding into new markets such as India.

In recognition of their long history and high awareness of quality, Blackmores has been awarded the “Most Trusted Brand”[^1] in vitamins and supplements in Australia for 14 consecutive years.

[^1]: Reader’s Digest’s Annual Trusted Brands Awards celebrates the brands Australians trust the most
2.4.3 **Synergies in the Acquisition**

The acquisition of Blackmores will transform the scale of the Health Science business, expand its product range and capabilities, and broaden its geographic profile and growth opportunities. The acquisition will expand access Kirin’s ingredients to hundreds of millions of consumers in the Asia-Pacific region through Blackmores’ distribution network. The Health Science business will also benefit from Blackmores’ knowledge of consumer demands and its deep understanding of country-specific regulations. We see a clear opportunity to deliver growth in the Health Science business through the evolution of the B2B and B2C businesses that propose solutions beyond the sales of ingredients. In addition, by creating synergies in a wide range of business areas in which both companies operate, we will solve a greater number of the social issues related to people’s health.

2.5 **Rationale for the Issuance of Social Bonds**

Kirin considers the issuance of social bonds as funding for solving social issues stated above, and for creating social and economic value and continuing sustainable growth together with society, through its promotion of CSV. Additionally, the company believes that the issuance of social bonds will provide another opportunity to enhance stakeholders’ understanding of our initiatives.
3. Kirin Social Bond Framework

3.1 Use of Proceeds

Kirin will use the proceeds based on this Framework to finance falling within the following projects categories.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Eligible Project</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to essential services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Health</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Health care</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Food security and sustainable food systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Physical, social, and economic access to safe, nutritious, and sufficient food that meets dietary needs and requirements</td>
<td>Acquisition of shares in Blackmores</td>
<td></td>
</tr>
<tr>
<td>- Improvement of eating habits and management of pre-symptomatic disease</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Kirin Group has positioned “health and well-being” as one of the key issues within its CSV Purpose, and is making efforts to “Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare.” Through eligible project under this Framework, Kirin will enhance access to nutritional supplements and other products that will promote health, maintain immune function, etc., for customers across a wide range of regions and ages, while also contributing to the research and development, sale, and distribution of healthier products. In this way, the company believes such projects can be expected to contribute to solving health-related issues as well as the social issues described below, while also having a positive social impact for the “Target Population” indicated.
### Eligible Project

<table>
<thead>
<tr>
<th>Eligible Project</th>
<th>Social Issues</th>
<th>Target Population</th>
</tr>
</thead>
</table>
| Acquisition of shares in Blackmores | • Achievement of health and longevity  
  • Response to a super-aging society  
  • From “Treatment” to “Prevention” (management of pre-symptomatic disease) | • General public  
  • People who require specific nutrients due to illness |

#### 3.2. Process for Project Evaluation and Selection

#### 3.2.1 Project Evaluation

Kirin Finance Department and CSV Strategy Department will select the eligible project as defined in 3.1, and the final decision on the issuance of social bonds to be used to selected eligible project will be made by the Executive Officer in charge of Financial Strategy.

#### 3.2.2 Assessment of Allocatable Amount

Kirin verifies the amount allocatable for eligible project through the following process. When verifying the social qualities of projects, the company identifies “Identification of Social Issues and Social Projects,” “Target Population for Social Projects,” etc., based on the SBP and SBGLs. The amount to be raised with social bonds based on this Framework is determined based on the allocatable amount. The allocatable amount is also assessed by a third-party assessment institution, as part of Kirin’s process for an appropriate review.

1. Classification of Blackmores’ business segments
2. Assessment of the social qualities of the key products handled in each business segment
3. Calculation of the allocatable amount through the above (1) and (2)
3.2.3 Process to Mitigate Social and Environmental Risks

In the implementation of the projects, Kirin will comply with environmental laws and regulations and agreements with the relevant communities throughout the project execution and project period, and will also follow the Kirin Group Compliance Guidelines in order to act with integrity and in conformity with social ethics. In the event of any ESG controversy related to an eligible project, the company will address and disclose such controversy appropriately.

Additionally, in relation to risks specific to eligible project, Kirin identifies various types of risk when conducting due diligence, and implements appropriate measures and procedures in response.

3.3. Management of Proceeds

Kirin Finance Department will manage the allocation of the net proceeds based on this Framework using the internal management system until the proceeds have been fully redeemed.

3.4. Reporting

3.4.1 Allocation Reporting

Until the full amount of funds raised based on this Framework have been allocated to eligible project, Kirin will annually disclose the allocation status of funds raised (amount allocated and amount yet to be allocated) on its website. This information will first be reported in the fiscal year following the raising of funds. Kirin will report timely in the event of a significant change after full allocation of the proceeds.
3.4.2 Impact Reporting

Until the maturity of funds raised based on this Framework, Kirin will annually provide impact reporting on its website. This information will first be reported in the fiscal year following the raising of funds.

At present, the expected indices for impact reporting are as follows, but Kirin intends to report the details of its efforts in accordance with future business development with Blackmores, to the extent practicable.

- Increase in access to products handled by Blackmores (numerical increase in areas of operation)

<table>
<thead>
<tr>
<th>Eligible Project</th>
<th>Output</th>
<th>Outcome</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of shares in Blackmores</td>
<td>Making Blackmores as a subsidiary</td>
<td>Improved access to products handled by Blackmores</td>
<td>“Raise the number of healthy people, lower the number of sick people, and contribute to the people who are involved in healthcare”, and contribute to solve more health challenges for people all over the world</td>
</tr>
</tbody>
</table>

3.5 External Review

3.5.1 Annual Review

Kirin will obtain a review from DNV BUSINESS ASSURANCE JAPAN K.K, an independent external reviewer, to evaluate whether the allocation reporting and the impact reporting are aligned with this Framework. This review will be conducted until the proceeds from the social bonds have been fully allocated. The initial reporting will be published in the year following the execution of the social bonds.
4. Reference

1. Social Bond Principles 2023 (ICMA)
2. Social Bond Guidelines 2021 (Financial Services Agency of Japan)
3. Notice regarding Agreement to Acquire Share (Acquisition of Ownership) of Australian Natural Health Company Blackmores Limited (Release/ Presentation Material)
4. Integrated Report 2023 (Company’s Web Site)
5. BLACKMORES GROUP SUSTAINABILITY REPORT  2022