

# CSV Commitment

The Kirin Group has formulated 19 commitments under the CSV Commitment that clarify the medium to long-term image we are aiming for through our business. Among those 19 commitments, there are four that deal with social issues related to the environment, which have target years between 2020 and 2030 to meet our Long-Term Environmental Vision. Five other commitments related to community engagement will also solve social issues related to the environment. Now that our new long-term strategy, Environmental Vision 2050, has been formulated and announced in 2020, we plan to revise the CSV Commitment sequentially.

Kirin Group's Environmental Vision 2050	SDGs Target	Our Commitment	Our Approach	Our Achievement	Goals for 2021
 Cultivate, expand and procure sustainable agricultural raw materials Stand by the side of farmers to make raw material production areas sustainable Attainment target: A society that values sustainable biological resources.	Target 2.3 Target 8.9 Target 15.4 Target 17.16 Target 17.17	2.2.d 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 farms assisted to obtain Rainforest Alliance certification <b>KH KBC</b>	10,000 farms (in 2025)
	Target 15.4 Target 17.16 Target 17.17	3.3 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>	①Use of FSC-certified paper or recycled paper for office paper ②Use of FSC-certified paper for paper containers and packaging*1 ③Actions regarding sustainable palm oil <b>KH KB KBC ME</b>	①100% (in 2020) ②100% (in 2020) ③100%*2
	Target 2.4 Target 12.3 Target 17.16 Target 17.17	3.5 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 <b>KB KBC ME</b>	75% (in 2025, compared with 2015)
 Bring water, used as a raw material, to a sustainable state Solve problems with water in a way that suits the characteristics of basin regions where our business bases are located Attainment target: A society that values sustainable water resources.	Target 3.9 Target 6.4 Target 17.16 Target 17.17	3.2 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>	①Water consumption reduction rate in 2020 ②Amount of water use in 2030 <b>MBL KKC</b>	<b>MBL</b> ①25% (in 2020, compared with 2015) <b>KKC</b> ② 30% (in 2030, compared with 2015)
	Target 12.2 Target 12.4 Target 14.1 Target 17.16 Target 17.17	3.4 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>	①Conversion rate of PET bottle resin to recycled resin ②Recyclability of container material ③Recycled material ratio for containers and packaging materials <b>KB KBC ME LN</b>	<b>KB KBC ME</b> ① 50% (in 2027) <b>LN</b> ②Over 90% (in 2030) ③Over 50% (in 2030)
 Realize Net-Zero GHG emission from the entire value chain Lead to build a decarbonized society Attainment target: A society that has overcome climate change.	Target 7.2 Target 13.1 Target 17.16 Target 17.17	3.1 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>	①Renewable energy ratio for plant purchased electric power ②Install solar power generation facilities ③Reduction ratio of GHG emission (Scope 1 and 2) ④Reduction ratio of GHG emission (Scope 3) <b>KG</b>	<b>KB</b> ①50% (in 2030) <b>LN</b> ②10MW (in 2026) <b>KG</b> ③30% (in 2030, compared with 2015) ④30% (in 2030, compared with 2015)

- KG** Kirin Group    **KH** Kirin Holdings
- KB** Kirin Brewery    **KBC** Kirin Beverage
- ME** Mercian
- KKC** Kyowa Kirin+Kyowa Hakko Bio
- LN** Lion    **MBL** Myanmar Brewery

\*1 6-can packs, gift boxes, drink boxes, cardboard cartons for products  
 \*2 Using Book and Claim model, which is a model for the trading of certificates approved by the Round Table of Sustainable Palm Oil

**Key CSV Issues**

**Community Engagement**

**Our Commitment**

2.2.a 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.

2.2.b 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.

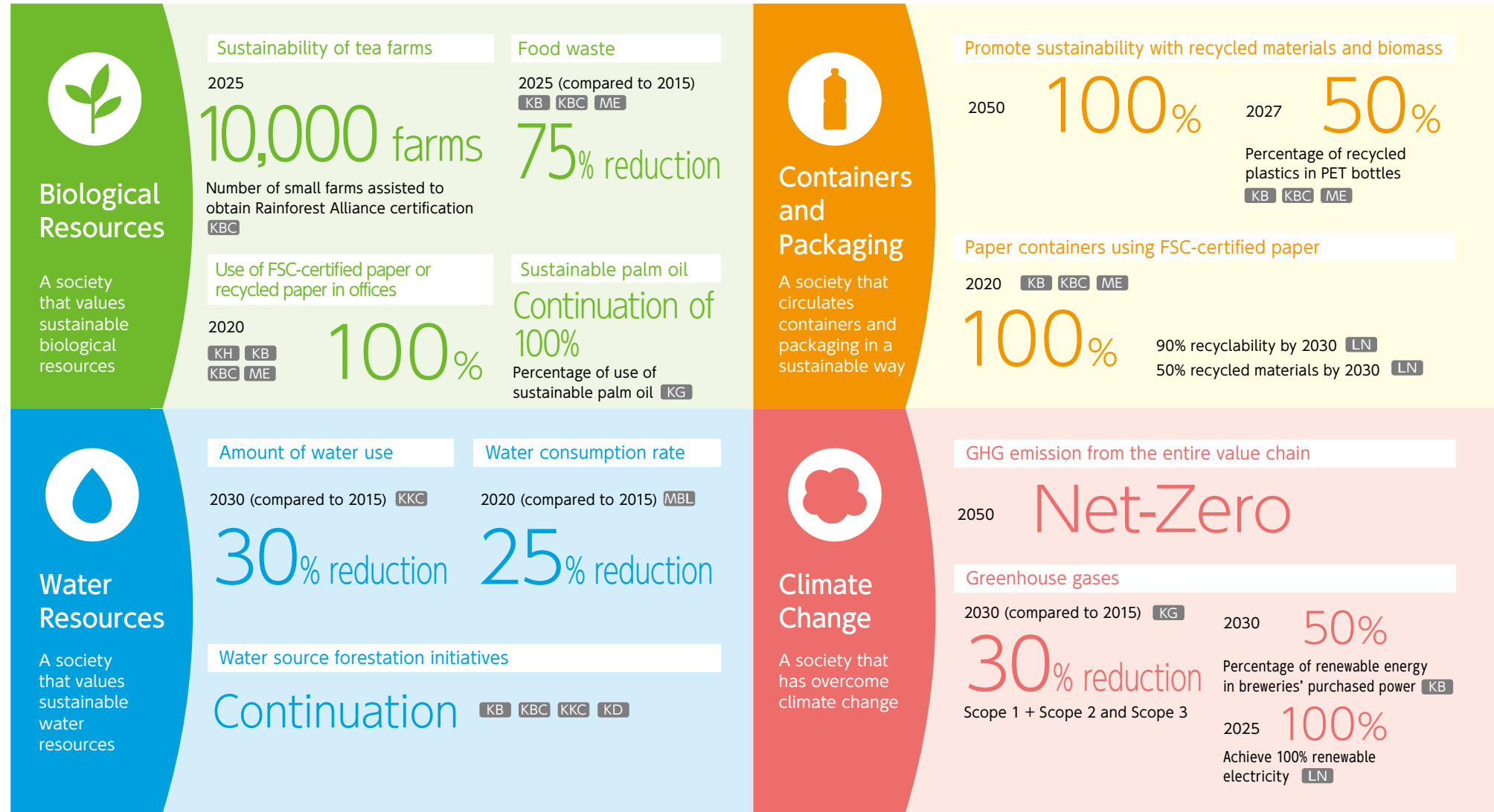
2.2.c We will create highly sustainable conditions for procuring Myanmar rice for brewing while fulfilling our social responsibilities to the region.

2.2.d 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.

2.2.e We will develop long-term, sustainable mutually beneficial partnerships with our raw material and packaging suppliers, which build a favorable demand for our product and ensure sustainable returns and the creation of value through the supply chain.

\*The above is the CSV commitment as of the end of June 2020.

# Key Targets



# Progress (The end of 2019)

Theme	We will create together	Indicators	Targets	Achievements
Biological resources	A society that values sustainable biological resources	Number of small-scale farms assisted to obtain Rainforest Alliance certification <small>KBC</small>	<b>10,000 small farms</b> (2025)	<b>120 small farms</b>
		Number of water source conservation sites in Sri Lanka <small>KBC</small>	<b>5 sites</b> (2020)	<b>3 sites</b>
		Number of persons participating in education programs for valuing water in Sri Lanka <small>KBC</small>	<b>15,000 persons</b> (2020)	<b>150 persons</b>
		Use of FSC-certified paper or recycled paper for office paper <small>KH KB KBC ME</small>	<b>100%</b> (2020)	<b>99.6%</b>
		Procurement of sustainable palm oil <small>KG</small>	<b>100%</b> (2020)	<b>100%</b>
		Reduction of food waste <small>KB KBC ME</small>	<b>-75%</b> (2025, compared with 2015 levels)	<b>-48%</b> (2018)
Water resources	A society that values sustainable water resources	Rate of reduction of water consumption rate <small>MBL</small>	<b>-25%</b> (2020, compared with 2015 levels)	<b>-27%</b>
		Rate of reduction of water use volumes <small>KKC</small>	<b>-30%</b> (2030, compared with 2015 levels)	<b>-23%</b>
Containers and packaging	A society that circulates containers and packaging in a sustainable way	Sustainable containers and packaging using recycled materials and biomass <small>KB KBC ME</small>	<b>100%</b> (2050)	<b>1.9%</b>
		Ratio of usage of recycled resin for PET bottles <small>KB KBC ME</small>	<b>50%</b> (2027)	<b>1.9%</b>
		Recycle rate of container and packaging materials <small>LN</small>	<b>Over 90%</b> (2030)	<b>&gt;95%</b>
		Percentage of recycled materials used in container and packaging materials <small>LN</small>	<b>Over 50%</b> (2030)	<b>47%</b>
		Use of FSC-certified paper for 6-can packs <small>KB KBC ME</small>	<b>100%</b> (2020)	<b>100%</b>
		Use of FSC-certified paper for gift boxes <small>KB KBC ME</small>	<b>100%</b> (2020)	<b>100%</b>
		Use of FSC-certified paper for drink boxes <small>KB KBC ME</small>	<b>100%</b> (2020)	<b>100% (beverage), 98% (Alcoholic)</b>
Climate change	A society that has overcome climate change	GHG emissions from the entire value chain <small>KG</small>	<b>Net-Zero</b> (2050)	<b>5,190 thousand tCO<sub>2</sub></b>
		GHG emission reduction rate – Scopes 1 +Scopes 2 <small>KG</small>	<b>-30%</b> (2030, compared with 2015 levels)	<b>-8.5%</b>
		GHG emission reduction rate – Scope 3 <small>KG</small>	<b>-30%</b> (2030, compared with 2015 levels)	<b>-12.7%</b>
		Ratio of renewable energy in plant purchased electric power <small>KB</small>	<b>50%</b> (2030)	<b>15%</b>
		Installation of solar power generation facilities <small>LN</small>	<b>10MW</b> (2026)	<b>0.7MW</b>
		Carbon neutral certified brewer <small>LN</small>	<b>Carbon Neutral</b> (2020)	<b>100% (May 2020)</b>

KG Kirin Group KH Kirin Holdings KB Kirin Brewery KBC Kirin Beverage ME Mercian KKC Kyowa Kirin+Kyowa Hakko Bio LN Lion MBL Myanmar Brewery

# External Evaluation

The Kirin Group conducts transparent information disclosure to its investors and other stakeholders. As such, we have been selected for and rated by the following global indices.



**WATER**

CDP "water security" category "A-List"



**CLIMATE**

CDP "climate change" category "A-List"



**2019**

CDP Supplier Engagement Rating "Leader Board"



Gold Award (Minister of the Environment Award) in the ESG Finance Awards Japan



"SDGs Management" highest overall ranking 5-star "★★★★★" (Deviation value of 70 or above) in the Nikkei SDGs Management Survey 2019



The Kirin Group Environmental Report 2019 and the KIRIN CSV REPORT 2019 received the Special Jury Prize (Award of the Jury Committee Chair in the 23rd Environmental Communication Awards)

Selected for the following indices



Kirin Namacha Decaffeinated Tea Drink won WorldStar Packaging Awards



The middle-sized bottle also received WorldStar Packaging Awards



Japan's lightest aluminum can won the 41st Kinoshita Prize



Fuji-Sankei Group Award in the 26th Global Environment Awards



Kirin School Challenge won the Encouragement Award in the Career Education Awards



Kirin School Challenge won the Judges Committee Encourage Award at the FY2017 Corporate Awards for Youth Experience Activities



Judge's Special Award in the 6th Ikimono Nigiwai Corporate Initiatives Contest



Yokohama Plant won the Green Cities Awards and Green Social Contribution Award



Minister of Land, Infrastructure, Transport and Tourism Award under the Excellent Green Logistics Commendation Program



Logistics Environmental Grand Prize at the 18th Logistics Environmental Award



Ranked No. 1 in WWF Japan's "Ranking for Corporate Measures Against Global Warming in the Food Sector"



King of Beasts Award in WWF Japan's "Business & Diversity Katte-ni Award"