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About this Environmental Report

Editorial Policy

The Kirin Group operates in three business areas in Japan, Oceania, and Asia: "Food (Alcoholic & non-alcoholic beverages)," "Pharmaceuticals," and "Health Science."

Approximately 65% of net sales are attributable to the Japan Beer and Spirits Businesses, Japan Non-alcoholic Beverages Businesses, and Oceania Integrated Beverages Business.

Initiatives to address the environmental issues are positioned as one of the purposes of CSV (the creation of value that can be shared with society), which is the core of our management strategy for the realization of sustainable growth.

The editing of this report has taken into account the characteristics of the Kirin Group's business and the positioning of its environmental approaches.

* For information on activities, data, and revised policies since August 2021, please access Kirin Holdings' environmental website.

Structure of Corporate Information Disclosure

Information on the corporate activities of the Kirin Group, including this Report, discloses a diverse range of information in the interests of shareholders and investors, as well as the interests of a wide range of stakeholders in our local communities, including our customers.

Kirin Holdings Investor Relations Information
<https://www.kirinholdings.com/en/investors/>



Kirin Holdings Impact The Environment Website
<https://www.kirinholdings.com/en/impact/>



KIRIN CSV REPORT (Integrated Report)
<https://www.kirinholdings.com/en/investors/library/integrated/>



Kirin Holdings The Environment Website
<https://www.kirinholdings.com/en/impact/env/>



Lion Sustainability Website
<https://lionco.com/our-commitments/our-sustainability-approach/>



Kirin Group Environmental Report
https://www.kirinholdings.com/en/investors/library/env_report/



KYOWA KIRIN Sustainability Website
<https://www.kyowakirin.com/sustainability/>



Reporting Period

FY2020 (January–December 2020)

Where necessary, this report also contains historical data showing trends for the past 3 to 5 years.

Organizations Covered by this Report (FY2020)

Business	Company
Japan Beer and Spirits Businesses	Kirin Brewery, Kirin Distillery, SPRING VALLEY BREWERY, Eishogen Kirin Brewery (Zhuhai)
Japan Non-alcoholic Beverages Businesses	Kirin Beverage, Shinshu Beverage, Hokkaido Kirin Beverage, Kirin Maintenance Service, each site of Kirin Beverage Service (Hokkaido, Sendai, Tokyo, Chubu, Kansai) KIRINVIVAX, Tokai Beverage Service
Oceania Integrated Beverages Business	Lion, New Belgium Brewing
Pharmaceuticals Businesses	Kyowa Kirin, Kyowa Kirin Frontier, Kyowa Medical Promotion, Kyowa Kirin plus, Kyowa Hakko Kirin China Pharmaceutical, Kyowa Kirin Pharmaceutical Research
Other Businesses (all companies included)	Mercian, NIPPON LIQUOR, Daiichi Alcohol, Wine Curation, Myanmar Brewery Interfood, Vietnam Kirin Beverage, Four Roses Distillery Kyowa Hakko Bio, KYOWA PHARMA CHEMICAL, KYOWA Engineering, BioKyowa, Shanghai Kyowa Amino Acid, Thai Kyowa Biotechnologies, Kirin Holdings, Kirin Business Expert, KIRIN BUSINESS SYSTEM, KOIWAI DAIRY PRODUCTS, Kirin Echo, Kirin and Communications, Kirin Engineering Kirin City, Kirin Techno-System, KIRIN GROUP LOGISTICS

* Lion announced the transfer of its beverage business unit on January 25, 2021.

Calculation Method of Environmental Data

About Calculation Method of Environmental Data → P.93~P.95

Reference Guidelines

- GRI Standards
- Ministry of the Environment, Government of Japan's Environmental Reporting Guidelines (FY2018 version)
- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD Recommendations) (June 2017)
- CDSB framework v2.2 (December 2019)
- SASB Standards (October 2018 version) Food & Beverage Sector/Alcoholic Beverages Industry and Non-Alcoholic Beverages Industry

→ P.109~P.115

Forward-looking statements in this report, including forecasts, targets, and plans, are based on the current assessments by management at the time of preparation of the report. They contain inherent uncertainty that the outcomes will differ from the statements in this report due to changes in a variety of factors. Statements about risks and opportunities are also included in the report from the perspective of proactive information disclosure, even if they do not necessarily constitute risk factors that would have a material impact on investor decisions. The Kirin Group will, upon identification and acknowledgment of various risks associated with its business, strive to strengthen its risk management structure and to prevent and mitigate those risks, and will make its best efforts to respond to risks that become apparent.

We will continue to exercise leadership in environmental management and contribute to Japan becoming a “leading environmental nation”

First, I would like to express my deepest condolences to all those who lost loved ones as a result of the COVID-19 pandemic, and extend my heartfelt sympathies to all those affected. I would also like to express my deepest respect for the national and local governments in their day-to-day endeavors to control the spread of the disease, as well as the medical professionals constantly making every effort to diagnose and treat infected patients.

Scenario analysis based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which the Company is implementing, shows that global warming is likely to increase the number of people at risk of contracting infectious diseases. In 2020, Kirin registered the *Lactococcus lactis* (LC) Plasma that it discovered as the first Food with Function Claims (FFC) that “helps maintain the immune system in healthy people” with Japan’s Consumer Affairs Agency (CAA) in Japan. In addition to preparing for the impact of climate change on our ingredients, i.e. agricultural products and water resources, we hope to deploy advanced fermentation technology and biotechnology to resolve social issues such as health risks and achieve business growth at the same time.

Our long-term environmental strategy, the Kirin Group’s Environmental Vision 2050, announced in February of last year, shifts our aim towards creating positive impact, marking a significant change from curbing negative impact, which was the focus of Kirin’s previous strategy. We are pursuing effective initiatives in the four priority issues of climate change, containers and packaging, biological resources, and water resources. Regarding climate change, in November 2020 we joined RE100, an initiative committed to sourcing 100% renewable electricity. In December, the Group’s medium-term GHG reduction target commitment was accepted by SBTi, as a “Business ambition for 1.5°C.” When the TCFD developed its Guidance on Scenario

Analysis for Non-Financial Companies, which was published in October, we were the only Japanese company and the only alcoholic beverage company in the world to present our opinions as one of 15 companies interviewed. With regard to “containers and packaging,” we launched a joint project with Mitsubishi Chemical Corporation last year aimed at the practical application of chemical recycling, as part of efforts to establish a circular economy for PET bottles. This year, we also became the first Japanese food company to participate in the Alliance to End Plastic Waste, a non-profit organization that works on a global basis to resolve the issue of waste plastics. As for “biological resources,” we converted paper containers to 100% FSC®-certified paper in the Japan alcohol and non-alcoholic beverages businesses last year. In February this year, we became the first company in the Japanese food and medical products industry to participate in the Corporate Engagement Program of the Science Based Targets Network, a global organization that develops scientific approaches to setting targets for the use of natural capital, including “water resources.”

I view the “realization of the decarbonization of society” advocated by the Japanese government as a long-term national policy vision comparable to the “Income Doubling Plan” and the “Plan for Remodeling the Japanese Archipelago.” The world recognizes the harmonization of nature and mankind as a philosophy of Japan. By continuing to demonstrate leadership in environmental management, the Kirin Group aims to contribute to Japan becoming a “leading environmental nation,” in which humankind and nature coexist, and to become a global leader in CSV.

President & CEO, Kirin Holdings Company, Limited
Yoshinori Isozaki



Corporate Data

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.

2027 Vision

A global leader in CSV, creating value across our world of Food & Beverages to Pharmaceuticals.

"One KIRIN" Values



Our determination to continuously provide our customers and society with new value propositions based on innovative ideas, and our enthusiasm to meet goals with pride in the companies we work for and the brands we offer.

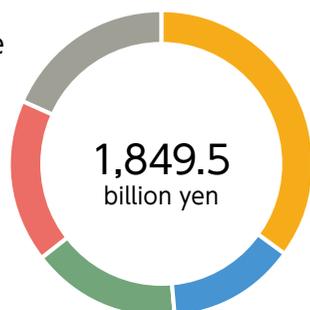


Our gratitude to our stakeholders for always helping us move forward, and our promise to remain honest and humble in every business activity to serve them better.



Our respect for different perspectives and values that enable constructive discussions, and our belief that the "differences" have the power to change the world and create better solutions.

Sales revenue



- Japan Beer and Spirits Businesses 35.2%
- Japan Non-alcoholic Beverages Businesses 13.6%
- Oceania Integrated Beverages Business 15.8%
- Pharmaceuticals Businesses 17.2%
- Other Businesses 18.2%

Operating profit



- Japan Beer and Spirits Businesses 36.4%
- Japan Non-alcoholic Beverages Businesses 10.5%
- Oceania Integrated Beverages Business 10.6%
- Pharmaceuticals Businesses 28.4%
- Other Businesses 14.1%

Segment	Food & Beverages	Pharmaceuticals	Health science	Company
Japan Beer and Spirits Businesses	●			Kirin Brewery
Japan Beer and Spirits Businesses	●			Kirin Beverage
Oceania Integrated Beverages Businesses	●			Lion
Pharmaceuticals Businesses		●		Kyowa Kirin
Other Businesses	●		●	Mercian Myanmar Brewery Coca-Cola Beverages Northeast Kyowa Hakko Bio Other

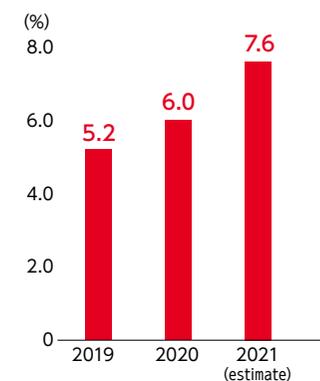
Company overview

Trade Name	Kirin Holdings Company, Limited
Date of Incorporation	February 23, 1907 <small>*Kirin Brewery Co., Ltd. changes its name to Kirin Holdings Co., Ltd. and becomes a holding company of the Kirin Group on July 1, 2007.</small>
Head Office	NAKANO CENTRAL PARK SOUTH 10-2, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan
Paid-in Capital	102,045,793,357 yen
Number of Employees	31,151 employees on a consolidated basis (as of December 31, 2020)

Financial Key Performance Indicators

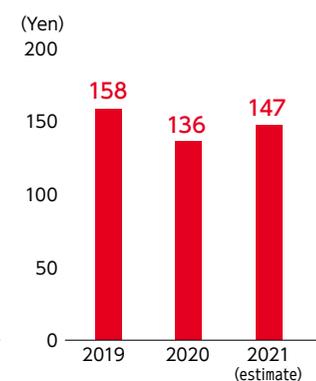
Capital efficiency indicator—Return on invested capital (ROIC)

The ROIC target of 10% in the 2019 medium-term business plan is unlikely to be achieved due to the impact of COVID-19.



Profitability and growth performance—Normalized EPS

Normalized EPS was pushed down by a decline in operating profit, with the result that target of average yearly growth of 5% or higher in the 2019 medium-term business plan was not achieved.



Our R&D and engineering capabilities create a positive impact.

The Kirin Group has been continuously developing TCFD scenario analysis since 2017. We revised our long-term environmental vision last year based on our assessment of the business impact of climate change obtained through scenario analysis. Mitigation measures, such as upgrading to a Science Based Target (SBT) of 1.5°C and participating in RE100, as well as adaptation measures, such as expanding support for acquiring Rainforest Alliance certification to coffee farms in Vietnam, all represent a concrete manifestation of the insights gained from scenario analysis. The Kirin Group is conducting a unique environmental strategy based on its strengths in R&D and engineering.

At Kirin's Packaging Innovation Laboratory, one of the world's largest containers and packaging development bodies created by a food company, we have achieved significant CSV results in terms of reducing the amount of materials used, cutting GHG emissions, and reducing costs, by decreasing the weight of containers and packaging. We are currently working with Mitsubishi Chemical Corporation to develop practical applications for chemical recycling, as part of efforts to achieve a circular economy for PET bottles.

In joint research with Bridgestone Corporation aimed at producing plants that are potential natural rubber substitutes, "bag-type culture vessel system technology," Kirin's proprietary technology that is expected to contribute to the production of large quantities of seeds of superior varieties, is applied. The practical application of Kirin Central Research Institute's mass plant propagation technology is expected to contribute to the development of various plant strains adapted to future global warming and the expansion of crop acreage in a short period of time.

We believe that contributing via the Health Science business to solutions for social issues such as the risk of infectious diseases associated with global warming offers business opportunities. The LC Plasma that we registered with the CAA as the first FFC

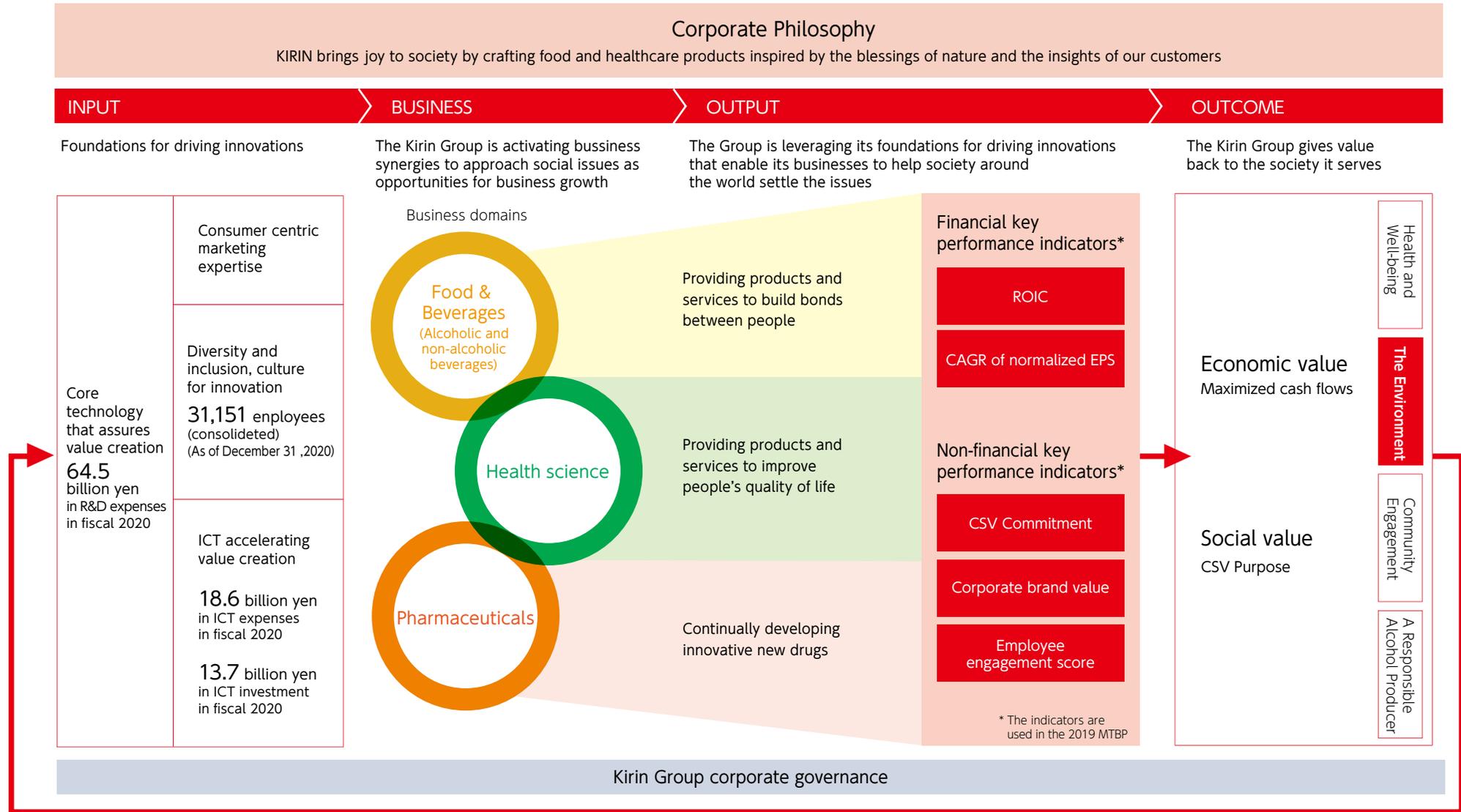
in the area of immune systems in Japan in 2020 was also the result of our efforts at the Kirin Central Research Institute. The reduction of environmental impact and the introduction of new environmental technologies at plants requires engineering with full knowledge of the manufacturing process and production technology. In addition to the engineering divisions in each company, the Kirin Group includes an integrated engineering company, Kirin Engineering Company, Limited. By leveraging its nimbleness and facility technology capabilities through coordination between these divisions and Kirin Engineering, the Kirin Group supports the swift deployment of environmental measures. Kirin's beer business, which is the origin of the Kirin Group, has a brewing philosophy of "Reverence for Life." The idea is that not only agricultural products, which are the raw materials, but also fermentation, which is the production process, are supported by the bounty of living things. Kirin's strengths in technology are rooted in humble learning from agricultural products and yeast, and our organizational culture, which places the preservation of the environment as one of our purposes, have been nurtured to ensure that we pass on nature, the foundation of production, to the next generation.

Even when our business portfolio changes in future, Kirin will keep on utilizing fermentation and biotechnology to engage in business activities that benefit from nature. As we look to achieve the Kirin Group's Environmental Vision 2050, we will continue to take on the challenge of creating positive impacts on people, society, and the natural environment by leveraging our R&D capabilities, engineering capabilities, and networking capabilities with NGOs and local communities.

Senior Executive Officer, Kirin Holdings Company, Limited
(Officer in Charge of CSV Strategy, Group Environmental Manager)
Ryosuke Mizouchi



Value Creation Model



Details can be found in the KIRIN CSV REPORT 2021 P.20 <https://www.kirinholdings.com/en/investors/files/pdf/kirinreport2021.pdf>