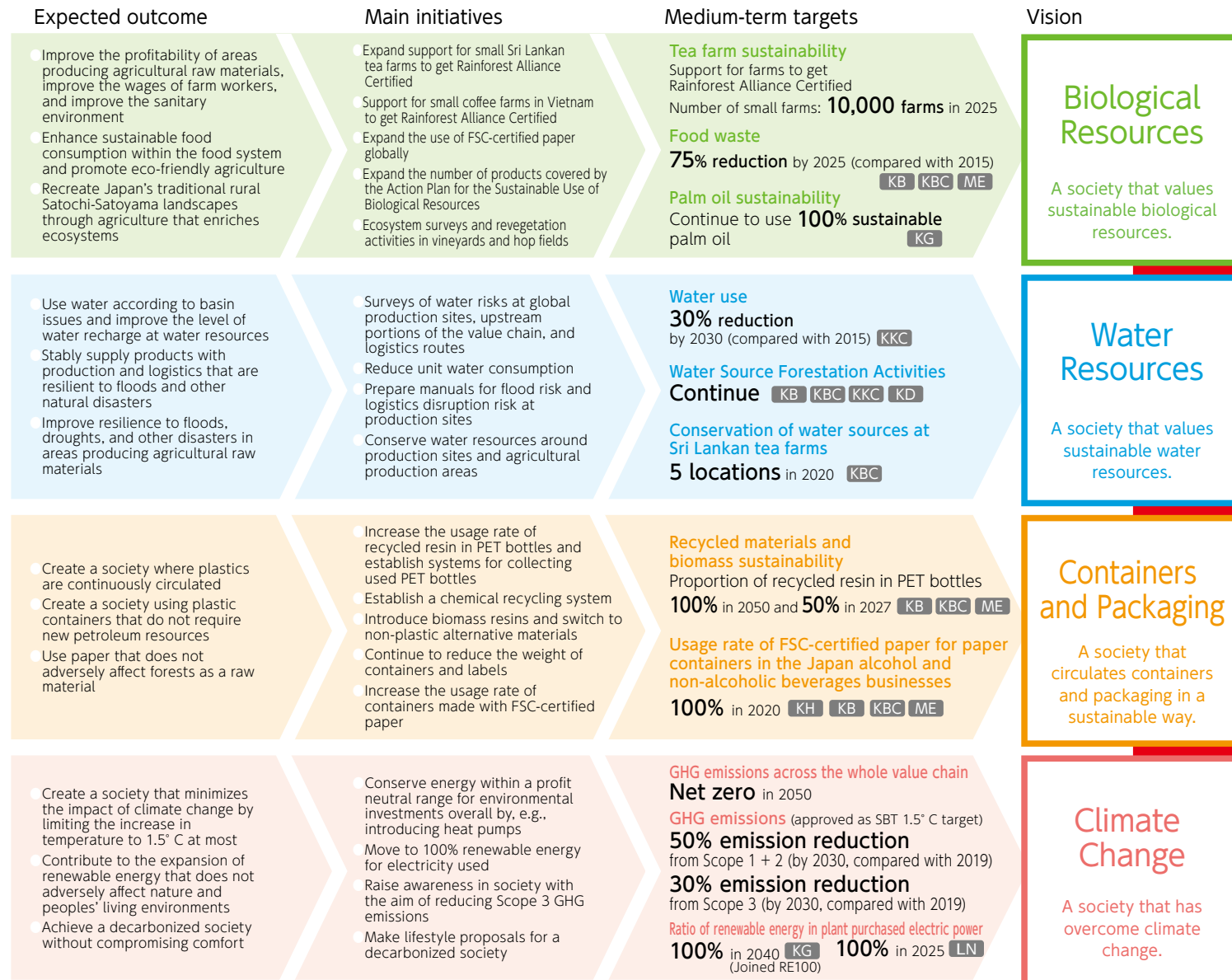


# Expected outcomes and key goals



## Kirin Group's Environmental Vision 2050

### Enrich the Earth with Positive Impact



Kirin and its broad stakeholders enrich society and the Earth for future generations through positive impact on people and the environment.

# Progress (The end of 2020)

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>	10,000small farms (2025)	2,120small farms
		Use of FSC-certified paper or recycled paper for office paper <small>KB KBC ME</small>	100% (2020)	100.00%
		Rate of RSPO certification through Book & Claim method <small>KB KBC ME</small>	100% (2020)	100%
		Reduction of food waste <small>KB KBC ME</small>	-75% (2025, compared with 2015 levels)	-44% (2019)
Water resources	A society that values sustainable water resources	Rate of reduction of water consumption rate <small>MBL</small>	-28% (2021, compared with 2015 levels)	-27%
		Rate of reduction of water use volumes <small>KKC KHB</small>	30% (2030, compared with 2015 levels)	<small>KKC</small> -44% <small>KHB</small> -43%
		Number of areas where water sources were conserved among Sri Lankan tea farms <small>KBC</small>	5 sites (2020)	5sites
		Number of persons participating in education programs for valuing water in Sri Lanka <small>KBC</small>	15,000 persons (2020)	15,000 persons
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>	100% (2050)	1.5%
		Ratio of usage of recycled resin for PET bottles <small>KB KBC ME</small>	50% (2027)	1.5%
		Recycle rate of container and packaging materials <small>LN</small>	100% (2025)	95%
		Percentage of recycled materials used in container and packaging materials <small>LN</small>	Over 50% (2025)	45~49%
		Use of FSC-certified paper for 6-can packs <small>KB KBC ME</small>	100% (2020)	100%
		Use of FSC-certified paper for gift boxes <small>KB KBC ME</small>	100% (2020)	100%
		Use of FSC-certified paper for drink boxes <small>KB KBC ME</small>	100% (2020)	100%
		Use of FSC-certified paper for cardboard cartons for products <small>KB KBC ME</small>	100% (2020)	100%
Climate change	A society that has overcome climate change	GHG emissions from the entire value chain <small>KG</small>	Net-Zero (2050)	4,864 thousand tCO <sub>2</sub>
		GHG emission reduction rate – Scopes 1 +Scopes 2 <small>KG</small>	50% (2030, compared with 2019 levels)	-8%
		GHG emission reduction rate – Scope 3 <small>KG</small>	30% (2030, compared with 2019 levels)	-3%
		Ratio of renewable energy in plant purchased electric power <small>KG</small>	100% (2040)	10%
		Installation of solar power generation facilities <small>LN</small>	10MW (2026)	1.2MW

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

Message from  
Top Management

Environmental  
Strategy

Indicators  
and Goals

Activity








Governance and  
Risk Management

Environmental  
Data

## 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 will revise our “CSV Commitment” in stages.

2 ZERO HUNGER	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)
3 GOOD HEALTH AND WELL-BEING		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>	① Use of FSC-certified paper or recycled paper for office paper ② Use of FSC-certified paper for paper containers and packaging*1 ③ Actions regarding sustainable palm oil <b>KH KB KBC ME</b>	① 100% (in 2020) ② 100% (in 2020) ③ 100%*2
6 CLEAN WATER AND SANITATION		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)
7 AFFORDABLE AND CLEAN ENERGY	 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>	① Water consumption reduction rate in 2021 ② Amount of water use in 2030  <b>MBL KKC</b>	<b>MBL</b> ① 28% (in 2021, compared with 2015) <b>KKC</b> ② 30% (in 2030, compared with 2015)
12 RESPONSIBLE CONSUMPTION AND PRODUCTION		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>	① Conversion rate of PET bottle resin to recycled resin ② Recyclability of container material ③ Recycled 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> ② Over 90% (in 2030) ③ Over 50% (in 2030)
13 CLIMATE ACTION	 Develop and disseminate sustainable containers and packaging  Build a resource-recycling system to make containers and packaging sustainable  Attainment target: A society that circulates containers and packaging in a sustainable way.	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>	① Ratio of renewable energy in 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)  <b>KG</b>	<b>KG LN KG</b> ① 100% (in 2040) ② 10MW (in 2026)  <b>KG</b> ③ 50% (in 2030, compared with 2019) ④ 30% (in 2030, compared with 2019)
14 LIFE BELOW WATER		 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.				
15 LIFE ON LAND						
17 PARTNERSHIPS FOR THE GOALS						

**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

\*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



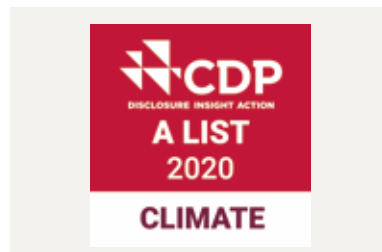
## Our Commitment

- 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.

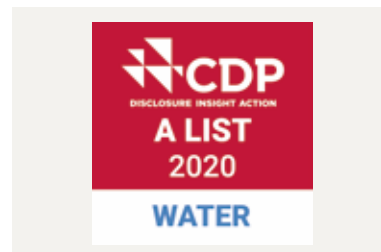
\*The above is the CSV commitment as of the end of June 2020.

# 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.



CDP "climate change" category "A-List"  
(two consecutive years)



CDP "water security" category "A-List"  
(five consecutive years)



CDP Supplier Engagement Rating  
"Leader Board"  
(three consecutive years)



"Gold Award" in the "Environmentally  
Sustainable Company Category"  
(two consecutive years)



"Environmental Value Award" and  
highest ranked at the Second Nikkei  
SDGs Management Grand Prix  
(two consecutive years)



The "Kirin Group Environmental Report  
2020" won the "Climate Change  
Reporting Grand Prize (Minister of  
the Environment Award)" in the 24th  
Environmental Communication Award

Selected for the following indices



MSCI Japan ESG  
Select Leaders Index



New Thin Film Deposition  
Technology for PET bottles  
WorldStar Award and  
Kinoshita Prize



Kirin Namacha  
Decaffeinated Tea  
Drink won WorldStar  
Packaging Awards



The middle-sized bottle  
also received WorldStar  
Packaging Awards



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"