

Corporate Governance System

Basic View on Corporate Governance

In line with the Kirin Group Corporate Philosophy and “One KIRIN” Values that are shared across the Kirin Group, the Kirin Group believes that achieving the “2027 Vision” outlined in the Kirin Group’s Long-Term Management Vision, Kirin Group Vision 2027 (KV2027) will lead to the Kirin Group’s sustainable growth and to greater corporate value over the medium to long term. Accordingly, the Kirin Group establishes a corporate governance system that is capable of effectively and efficiently reaching that goal. We believe that cooperation with all of our multiple stakeholders is indispensable in order to put the Kirin Group Corporate Philosophy into practice and turn the “2027 Vision” that is based on this philosophy into a reality, and respect the stakeholders’ respective viewpoints. We will disclose information promptly to our shareholders and investors in a transparent, fair and consistent fashion, will proactively engage in constructive dialogue with shareholders and investors, and fulfill our accountability with integrity.

Governance systems related to environmental issues

At the Kirin Group, the Board of Directors discusses and makes resolutions concerning basic policies and important issues related to the environment as a whole, including climate change issues, while the Group Executive Committee discusses and makes resolutions concerning the setting of important targets. We incorporate environmental targets into our CSV Commitment, one of our non-financial KPI targets, and reflect them in management plans by setting performance indicators for each operating company. The status of achievement of the CSV Commitment serves as a metric for assessing the performance of Kirin Holdings officers. As a general rule, the Board of Directors receives reports once a year on business risks, growth opportunities, strategies, and progress related to environmental issues, including climate change.

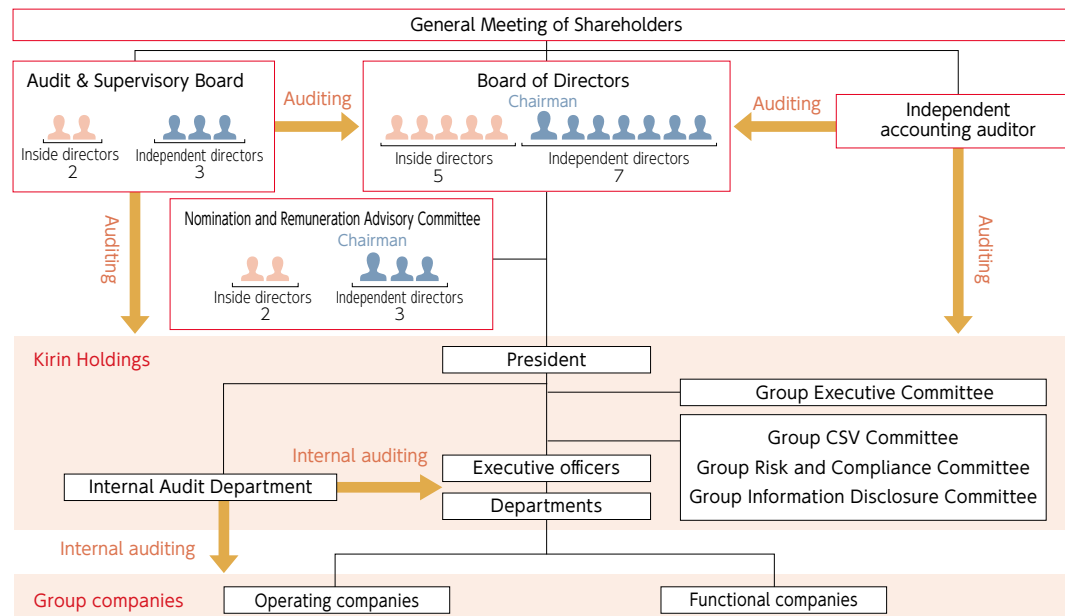
Group CSV Committee

Kirin Holdings established and operates the Group CSV Committee in order to proactively and independently promote CSV throughout the Kirin Group. Chaired by the president of Kirin Holdings and comprised of the presidents of the Group’s main operating companies, the committee deliberates on responses to environmental issues as a significant management issue. We position the Group CSV Committee as an advisory body to the president. The Group Executive Committee and the Board of Directors deliberate and receive reports on decisions made by the Group CSV Committee as necessary, and reflects these matters in strategy for the Kirin Group as a whole.

Details are shown on Page 50 to 61 of the KIRIN CSV REPORT 2021

KIRIN CSV REPORT 2021

- [https://www.kirinholdings.com/en/investors/library/integrated/Kirin Holdings Company, Limited Corporate Governance Policy](https://www.kirinholdings.com/en/investors/library/integrated/Kirin%20Holdings%20Company,%20Limited%20Corporate%20Governance%20Policy)
- https://www.kirinholdings.com/en/purpose/files/pdf/governance_policy.pdf
- [Table on Compliance with the Corporate Governance Code \(for reference\)](https://www.kirinholdings.com/en/purpose/files/pdf/governance_code.pdf)



Risk Management Structure

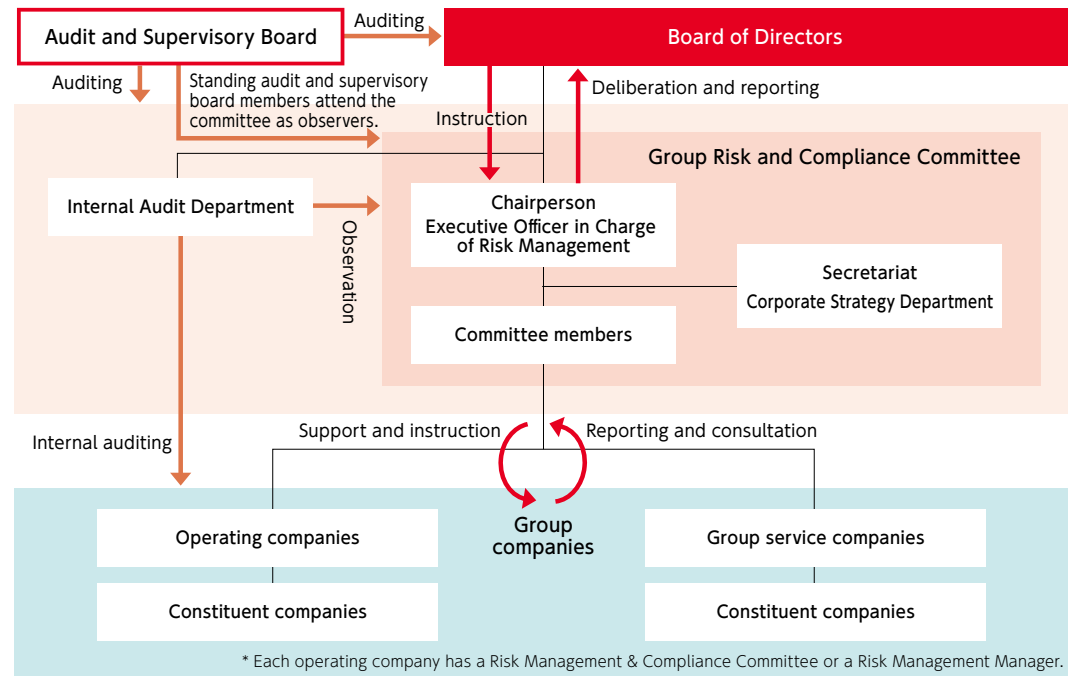
The Kirin Group defines risk as uncertainty with the potential to seriously impede the accomplishment of business targets or impact business continuity. The Group's fundamental risk management policy is to maintain a robust risk management structure and to fortify and fully implement risk control and compliance to mitigate risk, prevent risk from being actualized, and to keep risk within a manageable level. Management considers risk management as essential to continue earning the trust of customers, employees, shareholders, and society over the long term.

Risk management structure and process for determining and monitoring significant risk

In the Kirin Group, the Board of Directors deliberates and reports on significant risks. The Group additionally maintains a Group Risk and Compliance Committee consisting of Kirin Holdings Inside Directors and Executive Officers and chaired by the Executive Officer in Charge of Risk Management. The committee oversees the Group's risk management activities, including collecting risk information, controlling risk, preparing mid-term business plans, introducing risk reduction measures, communicating information and implementing countermeasures when risk arises, and providing necessary instructions and support to Group companies.

Kirin Holdings aggregates the risks faced by specific businesses on the Group level, investigates common risks across the Group, and identifies significant risks to the Group. Kirin Holdings assesses the potential quantitative and qualitative impacts of important risks from the perspective of overall Group management and classifies the risk in terms of priority. The Board of Directors deliberates the assessments and determines the significant risks for the Group. Kirin Holdings and the Group companies frame and implement measures to address the significant risks in accordance with the details of the risk, and engage in monitoring on a quarterly basis. The Kirin Holdings Board of Directors deliberates the status and reviews significant risks and provides instruction as necessary to support appropriate risk management and control in the execution of countermeasure strategies. The risk management system is designed to prevent risk from manifesting and to minimize any potential negative impact when a risk situation does occur.

Risk management structure



BCP for all types of hazards

The Kirin Group provides a large number of products and services that are directly connected to lifelines, and the Group promotes initiatives to minimize the impact on society and our customers in the event of a crisis, such as a natural disaster or pandemic. In recent years, however, a variety of crisis events have occurred, including natural disasters and the spread of COVID-19, and there have been cases in which we were unable to mount a sufficient response when circumstances differed from BCPs that we formulated

on the assumption of specific crisis situations.

Against this backdrop, the Kirin Group has changed from BCPs based on specific crisis situations to an "All-hazard BCP" with countermeasures focused on a loss of management resources, such as a reduced workforce, damaged facilities, or suspended head office functions, in a crisis situation. This approach will make the BCP more versatile when put into effect.

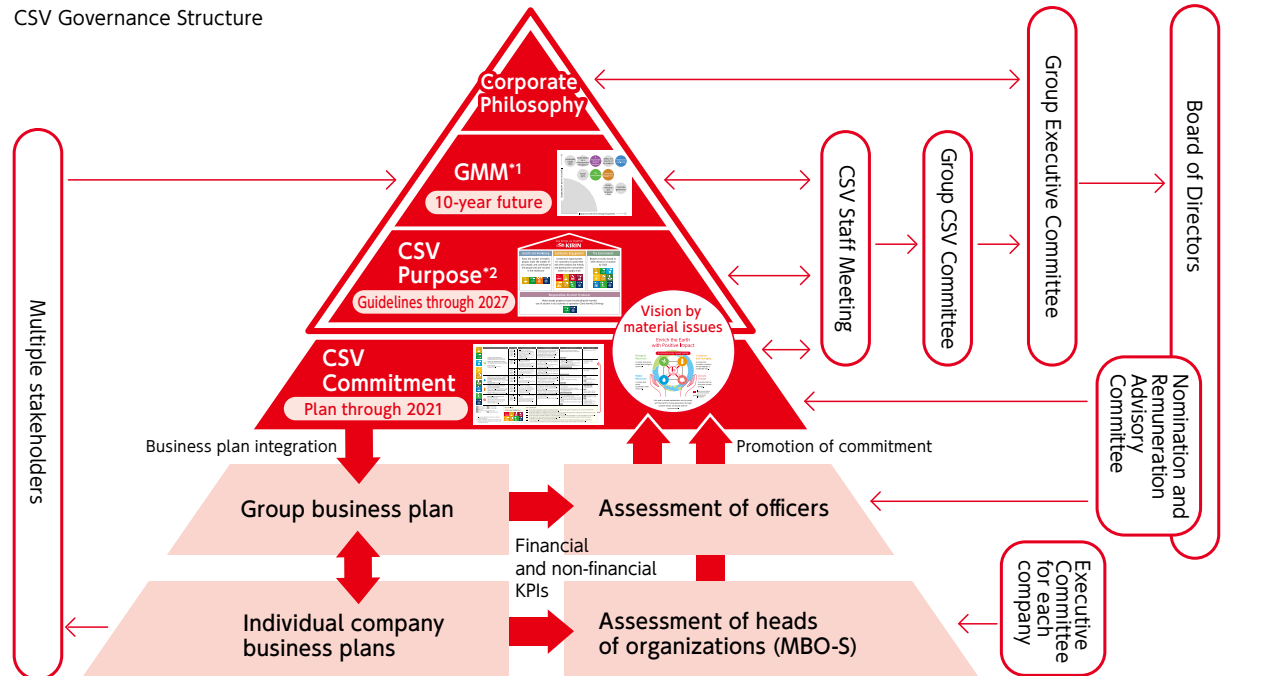
Environmental Management System

Environmental management and CSV

The Kirin Group recognizes that addressing climate change and other environmental issues is an important management issue. As such, the Board of Directors or the Group Executive Committee discusses and makes resolutions concerning important issues and targets. The Board of Directors of Kirin Holdings discussed and made resolutions concerning the Kirin Group Environmental Vision 2050, which we announced in 2020.

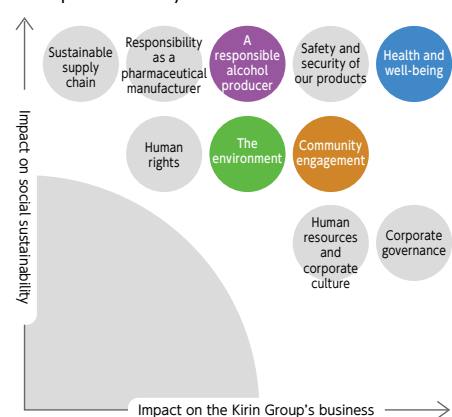
The Kirin Group engages in environmental management as part of its CSV management system. The Kirin Group has organized material issues, including the environment, as "Kirin Group's management issues for sustainable growth (Group Materiality Matrix: GMM)", as part of its commitment to sustainable development in partnership with society. To create shared value with society and promote sustainable growth, in our CSV Purpose developed as the guideline for the Long-Term Management Vision, KV2027, we set our purpose for the environment in line with the Kirin Group Environmental Vision 2050: Enrich the sustainable Earth for future generations through positive impact. In response, Group companies have established CSV Commitments as mid-term targets to achieve our environmental vision and are using them as performance indicators. As we look to achieve our Environmental Vision, Purpose, and Commitment, the Kirin Group will gather the opinions of stakeholders in an appropriate manner, identify and assess the risks and opportunities related to the environmental activities of our businesses, and take necessary action from medium to long-term perspectives.

CSV Governance Structure



^{*1} Group Materiality Matrix
^{*2} The translation of our Corporate Philosophy into our social purpose

Group Materiality Matrix



CSV Purpose



CSV Commitment

Kirin Group Environmental Vision 2050	Our Commitment	Our Approach	Our Achievement	Goals for 2021
<ul style="list-style-type: none"> 2.1.1 More sustainable production of raw materials 2.1.2 Reduce the amount of waste generated in production 2.1.3 Reduce the amount of water used in production 2.1.4 Reduce the amount of energy used in production 2.1.5 Reduce the amount of CO2 emitted in production 2.1.6 Reduce the amount of other pollutants emitted in production 2.1.7 Reduce the amount of other pollutants emitted in production 2.1.8 Reduce the amount of other pollutants emitted in production 2.1.9 Reduce the amount of other pollutants emitted in production 2.1.10 Reduce the amount of other pollutants emitted in production 	<ul style="list-style-type: none"> 2.2.1 We will promote our efforts related to biological resources or major material production sites. 2.2.2 We will reduce the amount of waste generated in production. 2.2.3 We will reduce the amount of water used in production. 2.2.4 We will reduce the amount of energy used in production. 2.2.5 We will reduce the amount of CO2 emitted in production. 2.2.6 We will reduce the amount of other pollutants emitted in production. 2.2.7 We will reduce the amount of other pollutants emitted in production. 2.2.8 We will reduce the amount of other pollutants emitted in production. 2.2.9 We will reduce the amount of other pollutants emitted in production. 2.2.10 We will reduce the amount of other pollutants emitted in production. 	<ul style="list-style-type: none"> 2.3.1 We will promote our efforts related to biological resources or major material production sites. 2.3.2 We will reduce the amount of waste generated in production. 2.3.3 We will reduce the amount of water used in production. 2.3.4 We will reduce the amount of energy used in production. 2.3.5 We will reduce the amount of CO2 emitted in production. 2.3.6 We will reduce the amount of other pollutants emitted in production. 2.3.7 We will reduce the amount of other pollutants emitted in production. 2.3.8 We will reduce the amount of other pollutants emitted in production. 2.3.9 We will reduce the amount of other pollutants emitted in production. 2.3.10 We will reduce the amount of other pollutants emitted in production. 	<ul style="list-style-type: none"> 2.4.1 We will promote our efforts related to biological resources or major material production sites. 2.4.2 We will reduce the amount of waste generated in production. 2.4.3 We will reduce the amount of water used in production. 2.4.4 We will reduce the amount of energy used in production. 2.4.5 We will reduce the amount of CO2 emitted in production. 2.4.6 We will reduce the amount of other pollutants emitted in production. 2.4.7 We will reduce the amount of other pollutants emitted in production. 2.4.8 We will reduce the amount of other pollutants emitted in production. 2.4.9 We will reduce the amount of other pollutants emitted in production. 2.4.10 We will reduce the amount of other pollutants emitted in production. 	<ul style="list-style-type: none"> 2.5.1 We will promote our efforts related to biological resources or major material production sites. 2.5.2 We will reduce the amount of waste generated in production. 2.5.3 We will reduce the amount of water used in production. 2.5.4 We will reduce the amount of energy used in production. 2.5.5 We will reduce the amount of CO2 emitted in production. 2.5.6 We will reduce the amount of other pollutants emitted in production. 2.5.7 We will reduce the amount of other pollutants emitted in production. 2.5.8 We will reduce the amount of other pollutants emitted in production. 2.5.9 We will reduce the amount of other pollutants emitted in production. 2.5.10 We will reduce the amount of other pollutants emitted in production.

Environmental management structure

The Kirin Group has defined its environmental management structure in the Principle for Kirin Group's Global Environmental Management (KGEMP).

Under the KGEMP, a Group general environmental manager has been appointed as the chief executive officer for all Group environmental matters. As of April 2021, this role is held by the Senior Executive Officer of Kirin Holdings Company, Limited with responsibility for CSV strategy. The KGEMP requires the appointment of a general environmental manager, who has responsibility and authority for environmental matters in each operating company. In addition to monitoring to ensure that the company and its constituent companies are conducting their environmental activities appropriately, the general environmental manager conducts management reviews, identifies issues for improvement, and gives necessary directions to the relevant departments. In the event of an environmental crisis, the general environmental manager

will have full authority to resolve the crisis. The KGEMP stipulates that each company complies with laws and regulations and other rules relevant to the business's environmental activities, reduces its environmental load, and prevents pollution under its own environmental management system. Each company will conduct internal environmental audits to ascertain the appropriateness and legal compliance of their systems and confirm how well targets are being met. The results of these audits will then lead into management reviews.

We integrate the management of environment-related processes with company management processes in a manner suited to the companies' respective regions.

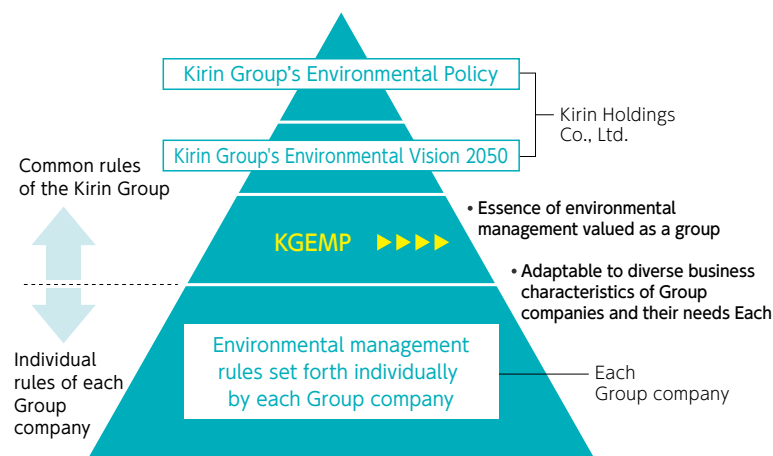
We incorporate CSV goals, including those for the environment, into the goal-setting for each organization and individual, and reflect the degree to which those goals are reached in assessments of the performances of those organizations and individuals.

Environmental audits

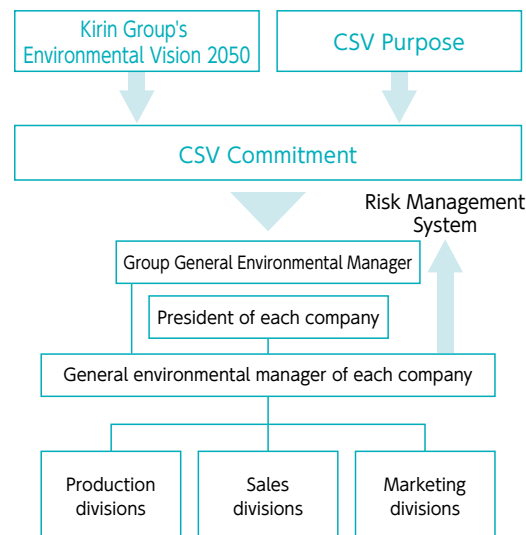
Each of the operating companies in the Kirin Group complies with ISO 14001 and other environmental management system standards. Internal auditing is conducted in each business location and constituent company, and the environmental management divisions in the head offices of each Group company conduct auditing of business locations and constituent companies. These audits lead to improvements in the individual companies' environmental management systems. On an entire Group basis, Kirin Holdings' CSV Strategy Department conducts environmental audits of each Group company in accordance with criteria established by the Group. We then utilize these audits for management reviews.

In Japan, to guarantee further transparency and independence, we have been contracting an outside consultant to perform a strict environmental legal audit since 2009. By 2014, the consultant had visited all production facilities belonging to Kirin Group companies. Starting in 2015, the consultant embarked on a second round of visits, selecting several sites to visit each year.

Principle for Kirin Group's Global Environmental Management (KGEMP)



Environmental Management Structure



Status of compliance with environmental laws and regulations

Each business location is thorough in its management of legal requirements through a ledger, and works exhaustively to prevent environmental pollution by establishing voluntary management targets that are more stringent than those required by the legislation.

We have established a system for the reporting of environmental accidents within the Group, in which we share *hiyari-hatto* (near-miss) examples and accidents that occurred within the Group and extend countermeasures to other sites. We use internal environmental audits to check the status of initiatives taken toward achieving environmental targets, see how measures to prevent environmental accidents and *hiyari-hatto* (near-miss) cases are being shared with operating companies and business sites, and confirm the status of legal compliance. The Kirin Group did not violate any environmental laws or regulations in 2020.

Appropriate management of waste

The Kirin Group is working toward its declared goal of the implementation and firm establishment of thorough appropriate management of waste. To this end, we established the Kirin Holdings Waste Management Rules and are promoting the appropriate treatment of waste within the common Group systems. These rules standardize contract templates and the frequency and contents of contractor audit programs, and by keeping an updated list of staff in charge of waste management, we provide education to all staff who require it, based on standardized textbooks. We collectively manage information on all waste disposal contractors for the Group, so if in the unlikely event that a problem arises, we can immediately search for and confirm details about the contractor, its permits, the waste it is being contracted to handle, and other details. We have standardized operations in this way so that anyone who is newly assigned to waste-related work will be able to perform it with certainty.

Recycling rate 100%

The Japanese alcoholic and non-alcoholic beverages businesses (Kirin Brewery, Kirin Beverage, Kirin Distillery) have set a recycling rate target of 100% for their plants and have continued to achieve that target. Four plants, including the Kirin Brewery's Yokohama Plant, first achieved a recycling rate of 100% in 1994, and in 1998, all plants achieved 100%, the first time in the beer industry.

Preventing air pollution

The Kirin Group strives to comply with all laws and regulations relating to air pollution in the various countries in which we operate. We have established voluntary standards that exceed those required by environmental legislation and are working to reduce our emission of atmospheric pollutants. For example, for transport in Japan, we are pursuing the introduction of vehicles that comply with the NOx & PM Act in metropolitan areas. We are increasing the load capacity per vehicle by switching to larger trucks and reducing the total number of trucks.

Preventing water pollution

The Kirin Group thoroughly complies with laws and regulations for preventing water pollution in each of the countries where we operate and minimizes wastewater loads by setting our own strict control values, which go beyond those required by environmental laws.

Preventing soil contamination

When selling assets, the Kirin Group conducts thorough investigations of soil contamination, responding as necessary.

Managing chemical substances

The Kirin Group manages its chemical substances appropriately based on the Act on Confirmation, etc. of Amounts of Release of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Act) and other relevant legislation. The Kyowa Kirin Group has set targets for volatile organic compounds (VOC), which, due to the nature of its business, make up the majority of the chemical substances it releases, and is taking action to reduce them.

Polychlorinated biphenyl (PCB)

Managing appropriately and disposing progressively according to the law.

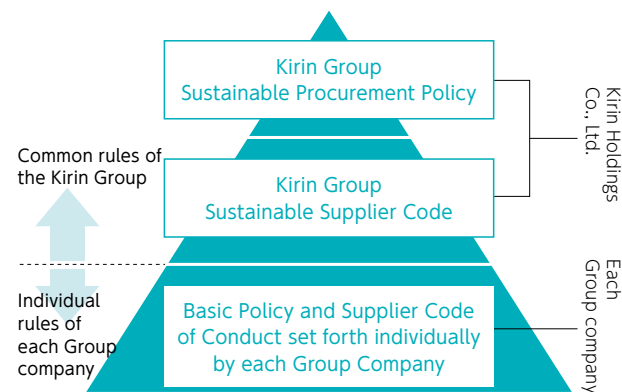
Asbestos

Managing and isolating appropriately and treating progressively according to the law.

Sustainable Procurement

Group procurement management structure

To fulfill its social responsibility, the Kirin Group manages progress toward procurement targets set forth in management plans, and strengthens governance through such means as managing procurement risks and compliance with laws and regulations, education, and internal audits, in accordance with the Kirin Group Sustainable Procurement Policy and the Kirin Group Sustainable Supplier Code. We have integrated procurement risk as part of corporate risk management. In the unlikely event that a procurement risk should materialize, under the leadership of the officer in charge



of risk management, the relevant departments will promptly work together to share information, implement countermeasures, and prevent recurrence, and will involve other departments before similar events happen elsewhere. In these ways, we work to verify and address the problem.

Kirin Group Sustainable Procurement Policy

In April 2021, the Kirin Group revised its procurement policy and established the "Kirin Group Sustainable Procurement Policy," and is working to realize this policy.

Kirin Group Sustainable Supplier Code

In April 2021, the Kirin Group established the "Kirin Group Sustainable Supplier Code"—a collection of conditions that suppliers must comply with, based on the "Kirin Group Sustainable Procurement Policy." The Code respects international standards such as the OECD Guidelines of Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the Core Conventions of the International Labor Organization (ILO), the Ten Principles of UN Global Compact, and the Women's Empowerment Principles [WEPs], and strives to ensure that all upstream channels in the supply chain, as well as the Kirin Group's own business operations, conform to these standards on an ongoing basis.

Basic procurement policy and supplier code of conduct for each Group company

Each Group company has established a basic procurement policy and supplier code of conduct tailored to the characteristics of its particular business and the laws and regulations of the countries in which it operates.

Kyowa Kirin's approaches

Kyowa Kirin has established the Kyowa Kirin Group Procurement Policy and has prepared the Kyowa Kirin CSR Procurement Guidebook. It has established the Supplier Code of Conduct with which it asks suppliers to cooperate. At Kyowa Kirin, we conduct CSR questionnaire surveys each year to analyze the current situation of CSR initiatives in the supply chain and identify issues. From 2019, we began conducting the CSR questionnaire survey for foreign suppliers. We are providing opportunities for suppliers to deepen understanding of CSR procurement activities by holding briefing sessions on CSR procurement and organizing supply chain participant meetings to exchange information on issues for the entire supply chain and measures to solve such issues.

Lion's approaches

Lion has set forth three core principles for its Procurement Policy as follows:

1. Building strong commercial outcomes & productive partnerships
2. Promoting Human Rights and Ethical Sourcing
3. Promoting sustainable (environmental, social and inclusive) sourcing practices

At the end of 2019, Lion announced its Supplier Responsible Sourcing Code, in which it seeks to mitigate ethical, environmental, labor, and human rights risks, such as instances of forced and child labor. The Code sets out strict policies on anti-bribery and corruption, conflicts of interest and protecting privacy, as well as a whistleblower policy.

Lion requires key suppliers to complete SEDEX self-assessment questionnaires (SAQs) on an ongoing basis. As of the end of 2020, 95% of Lion's primary suppliers have taken risk assessments through the questionnaire, with Lion targeting 100% of suppliers by 2021 in the CSV Commitment.

Kirin Group Sustainable Procurement Policy

The Kirin Group upholds the essential values in the areas of human rights, labor, the environment, and anti-corruption defined by the United Nations Global Compact, of which we are a signatory. We engage in procurement activities that follow five themes for initiatives in compliance with this principle and with Group policies, to improve sustainability from global perspectives, enhance corporate value, and contribute to society.

1. Steady focus on quality

- We place a high priority on pursuing quality and safety in our procurement practices, in accordance with the Kirin Group's Quality Policy.

2. Ensuring regulatory and ethical compliance

- We observe social norms and the letter and spirit of laws and regulations and conduct business in a sensible and socially responsible manner, in accordance with the Kirin Group Compliance Policy.

3. Respecting human rights

- We embody the ideas laid out in the Kirin Group Human Rights Policy and address human rights issues together with our suppliers.

4. Environmental stewardship

- We strive to protect the global environment and prevent pollution and conduct environmentally sensible procurement practices in accordance with the Kirin Group's Environmental Policy.

5. Coevolving relationships of mutual trust with suppliers

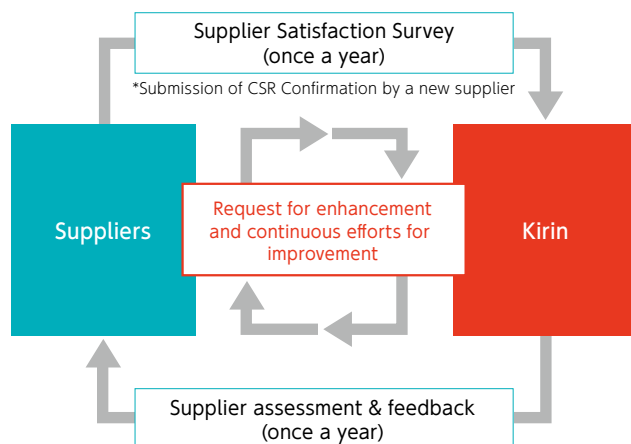
- We establish long-term relationships of trust with suppliers through fair and open procurement practices and work with suppliers to solve social issues to achieve co-existence and co-prosperity.

Two-way communication with suppliers

The Kirin Group places importance on two-way communication with suppliers.

Prior to the start of business transactions, we request that suppliers comply with the Kirin Group Sustainable Supplier Code, and after business transactions start, we monitor the status of compliance on a regular basis through surveys and supplier assessments. We give feedback to the supplier based on the results of the survey and evaluation; and if we deem that risk countermeasures are insufficient, we conduct additional surveys and request that the supplier take the necessary corrective actions. We hold supplier briefing sessions to help suppliers deepen their understanding of the Kirin Group's procurement activities, the Kirin Group Sustainable Procurement Policy, and the Kirin Group Sustainable Supplier Code. At the same time, we have established a "Supplier Hotline" to collect feedback from suppliers and to ensure fair trade. With these actions driving our PDCA cycle, we will continue to work with our suppliers and promote CSR procurement.

In FY2019, we adopted and began implementing the CSR/Sustainable Procurement Self-assessment Questionnaire developed by Global Compact Network Japan in the Japan Beer and Spirits Business and the Japan Alcohol and Non-alcoholic Beverages Businesses. In FY2020, we received responses from 412 of the 421 companies we asked to complete the questionnaire. Overall, we found that our suppliers had made progress in all areas compared with the previous fiscal year.



Environmental Education

Environmental Training

To mitigate environmental risk, the Kirin Group conducts an ongoing program for environmental training for its employees.

This systematized training consists of training for environmental staff and training by job grade, including new employees. The training conducted at the Technical Talent Development Center has been opened to Kirin Group companies in Japan.



Scenery of environmental training

Raising environmental awareness within the Company

The Kirin Group uses in-house communications to expand the depth and breadth of interest in and understanding of the environment among employees. We utilize employee newsletters and the intranet, and at Group headquarters, use screen videos presenting Kirin's environmental initiatives on digital signage, in order to deepen understanding among employees.

On June 1, 2021, we launched the "KIRIN Now" website for Group employees. As more employees work from home owing to the COVID-19 pandemic, we are using this website to provide up-to-



"KIRIN," a Group newsletter for employees

date information from the Kirin Group in a format accessible to all Group employees, in accordance with changes in work styles. As part of this initiative, we are communicating information related to the environment and other aspects of CSV to employees in an easy-to-understand manner, and strengthening two-way communication through the use of comments and users' ability to "like" posts.

Experiential Program

The Kirin Group conducts a CSV Experiential Program for Confronting Social Issues, a CSV training program that gives employees the opportunity to focus on social issues.

Programs were held to promote understanding of examples of the Creating Shared Value that Kirin engages in with society. We plan and implement these programs that give participants the chance to experience first-hand actual operations and interactions with the local community in Tono in Iwate Prefecture, with which Kirin has had a connection in hops cultivation for more than fifty years, and in Ueda in Nagano Prefecture, where Mercian operates its own vineyard, Mariko Vineyard.

Fiscal Year	Program	Date	Number of participants
2017	At Tono hops farm	5/26 Fri~ 27 Sat	36
	At Ueda vineyard	9/22 Fri~ 23 Sat	31
2018	At Tono hops farm	6/1 Fri~ 2 Sat	36
	At Ueda vineyard	9/21 Fri~ 22 Sat	35
2019	At Tono hops farm	6/7 Fri~ 8 Sat	42
	At Ueda vineyard	10/18 Fri~ 19 Sat	40*
2020	At Ueda vineyard	10/9 Fri	38

*Scheduled to participate. Cancelled due to typhoon damage.

Stakeholder Engagement

To grow sustainably together with society, the Kirin Group has positioned Creating Shared Value (CSV) as the core of its company management in its Long-Term Management Vision, Kirin Group Vision 2027.

CSV management means the creation of economic value and social value at the same time, with the aim of sustainable growth together with society by realizing both solutions to social issues and the provision of value to customers. . To achieve this, it is important that we establish and implement mechanisms for identifying and understanding the challenges, expectations, and demands of our diverse stakeholders.

To this end, the Kirin Group has a range of opportunities for dialogue with the stakeholders involved in its business. In addition to dialogue, we work together with many of our stakeholders and cooperate in voluntary activities that lead to policy recommendations.



Engagement with tea farms

In our support for Sri Lankan tea farms to get Rainforest Alliance Certified, which began in 2013, Kirin staff travel to Sri Lanka once a year to exchange views with the plantation managers and local residents, to identify and address local issues.

The dialogue with the tea farms is an invaluable opportunity for us and the local producers to share their respective needs and issues, with a view to achieving more sustainable, higher quality and efficient tea leaf production.

We decided to expand support for small farms to obtain certification for sustainable agriculture in 2018 in response to the consultations received from managers of large tea farms that depend on small farms to cover the need to supply a large amount of tea leaves. We determined that support for small farms to obtain the certification would lead not only to increasing revenues and stabilizing the business of small and large tea farms but to securing stable procurement of tea leaves.

The activities for the conservation of water sources on the farms materialized as a result of our dialogue with managers of large farms and local residents who had significant concerns over the impact of climate change on water sources.

On November 18, 2020, in response to a request from the Rainforest Alliance, the Senior Executive Officer in charge of CSV remotely participated in the "Rainforest Alliance Tea Event 2020" event as a panelist.



Engagement with grape producers for Japan Wine

Mariko Vineyard's has received support from an international NGO, Earthwatch Japan, and its volunteers for ecological surveys. In 2018, Earthwatch Japan and its volunteers provided assistance in mapping the distribution of the shrubby sophora (*Sophora flavescens*), the sole grass eaten by the larvae of *Shijimiaeooides divinus*, a critically endangered species, on the sides of rice fields on the Jinba Plateau where Mariko Vineyard is located. Using the survey results, we have been conducting activities to increase the amount of shrubby sophora since 2019. Using the distribution map we created as a reference, we identified shrubby sophora and, with the permission of rice field owners, harvested cuttings. Volunteers grew the cuttings at home and planted them in Mariko Vineyard at the end of May 2021, two years



Violet survey

Environmental education

later. Surveys of the distribution of violets in vineyards in 2019 and 2021 revealed that violets, which are an indicator species for grassland, had begun spreading deep into vineyards. In 2020, we held an environmental class at Shiogawa Elementary School at the foot of Mariko Vineyard, focusing on the rich ecosystem of the vineyard and its background. In 2021, teachers from Shiogawa Elementary School participated in the planting of shrubby sophora, violet surveys, and taking cuttings of shrubby sophora.

Future generations

The Kirin Group, based on its Environmental Vision 2050, promotes engagement with future generations in various ways to get the next generation involved in resolving environmental issues and have a positive impact to society.

The Kirin School Challenge

Since 2014, the Kirin Group has been holding workshops called the Kirin School Challenge, in which junior and senior high school students, who will lead the next generation, learn, think about, and discuss matters for solving various social issues in the world and convey those ideas to their peers. As of the end of 2020, a total of approximately 1,000 students had participated in the workshop.

Through 2019, we held these workshops as group learning sessions on the themes of sustainable agriculture, forestry, and containers and packaging, and the output consisted of posting photos of messages that participants wanted to convey to their generation on Twitter. In response to the COVID-19 pandemic, however, we decided to hold the event online in 2020, and have changed the output to a sketchbook relay (a video showing a sketchbook filled with different messages). Although there are issues with holding the event online, such as maintaining concentration for long periods and difficulty in communication among participants, there is a positive side of no need to meet at the venue; participation can go beyond national borders, to encompass countries such as France, Ireland, and New Zealand.

Japan Environmental Youth Network

The Kirin Group has supported the Japan Environmental Youth Network, sponsored by the Environmental Restoration and Conservation Agency's Japan Fund for the Global Environment, since 2013 (from the time of its predecessor, the National High School Students Eco-Action Project).

The Japan Environmental Youth Network invites examples of day-to-day environmental activities from high school students, and selected students participate in the National Convention after passing through regional stages. At the national convention, the project presents various awards to outstanding efforts, including the Minister of the Environment Award. The Kirin Group serves as a judge at both the regional and national conventions. The environmental activities of high school students often reflect local issues, and they serve as a valuable forum for understanding the issues faced by the younger generation, who will lead the next generation.

As part of our support activities, we welcome high school students to visit our companies once a year. To date, the Head Office in Nakano, the Institute for Packaging Innovation and the Central Research Institute in Yokohama, and Mariko Vineyard, as well as BEER EXPERIENCE, an agricultural corporation in Tono that is funded by Kirin have all accepted visits, providing opportunities for the students to exchange views while observing actual research and production facilities.

Environmental mark program

In 2019, together with the Japan Network for Climate Change Actions (JNCCA), we began trialing the "Environmental mark program," in which children work together to find environmental marks. This program was developed with the support of the Japan Fund for the Global Environment as an opportunity for children to work together to find environmental marks on various products and services and think about environmental issues. The program targets elementary school students who participate in after-school care, Girl Scouts, and Boy Scouts. Since 2020, we have been developing and deploying programs that use the "Environmental Mark Discovery Notebook," enabling us to conduct programs on a more continuous basis. When children find an environmental mark, the leader of the organization checks it

and sticks a Kirin "Eco Panda" sticker in their "Environmental Mark Discovery Notebook," which increases their motivation. In 2020, 2,000 elementary school students from approximately 80 organizations participated.

Free distribution of supplementary teaching material on SDGs

The Kirin Group is participating in the production of the section on "SDG 2: Zero Hunger" in the "SDGs Start Book," supplementary teaching material on the SDGs for elementary students. For this production, the Kirin Group collaborated with plans made by the "EduTown SDGs Alliance," a project that aims to nurture the creators of a sustainable society, primarily for elementary school students. We had originally planned to distribute 100,000 copies of the "SDGs Start Book" to elementary schools, etc., across Japan that applied. The number of applications, however, exceeded our expectations, so we printed additional copies and distributed 200,000 copies. So far, in FY2021, we have distributed 300,000 books free of charge.

On the "EduTown SDGs" website for children learning about the SDGs, there is a section called "Sustainable agriculture with Sri Lankan tea farms ~The efforts of the farms supporting the great taste of Kirin Gogo-no-Kocha~" as an example of initiatives for SDG 2. The brand manager of Kirin Gogo-no-Kocha makes an appearance in this section to explain the details of this initiative.

Decarbonization Challenge Cup

The Kirin Group supports the Decarbonization Challenge Cup which is held with the aim of building a decarbonized society for the next generation by announcing activities on global warming prevention undertaken by various organizations as a means of sharing knowhow and information to build collaboration and motivation for further activities.



Kirin School Challenge Award Ceremony



National Convention
of the Japan Environmental Youth Network



Environmental Mark Discovery Notebook



SDGs Start Book

Engagement with experts

The Kirin Group has always emphasized engagement with experts and NGOs to identify social issues and confirm the direction to take. With the adoption of the Paris Agreement at COP21 in 2015, the adoption of the SDGs by the UN, and the publication of the TCFD final recommendations in 2017, the Kirin Group believes that engagement with experts, NGOs, and ESG investors is becoming increasingly important.

Experts

In formulating the Kirin Group's Environmental Vision 2050, which was announced on February 10, 2020, we organized roundtable dialogue sessions with stakeholders, with cooperation from experts who had given us valuable advice in the past and we reflected many valuable comments received in our vision.



Roundtable dialogue during the revision of the Environmental Vision

Held on November 27, 2019

Outside participants:

Yoshinao Kozuma, Professor Emeritus, Sophia University Faculty of Economics.

Manabu Akaike, Director, Universal Design Intelligence, Inc.

Mikako Awano, CEO, SusCon Japan

Chairperson:

Masakazu Oki, Environmental Restoration and Conservation Agency's Japan Fund for the Global Environment

Participants from Kirin Holdings:

Ryosuke Mizouchi, Senior Executive Officer.

Ryuji Nomura, Executive Officer, Head of the CSV Strategy Department.

National Agriculture and Food Research Organization

In ecological surveys on the process of converting idle and devastated land into vineyards, we ask the experts at the National Agriculture and Food Research Organization (NARO), our partner in joint research, to



Dialog with the National Agriculture and Food Research Organization



hold a joint research presentation once a year. In addition to sharing the insights obtained through this research, we discuss how to proceed into the future.

Contribution to development of various guidelines

The Kirin Group actively participates in the development of various public guidelines. In 2018 and 2019, at the request of the Ministry of the Environment, we sent a member to the Working Group on the Environmental Reporting Guidelines and Environmental Accounting Guidelines and the Working Group on guidance and technical notes supplementing Environmental Reporting Guidelines 2018, where he deliberated with experts about disclosure of environmental information.

In 2020, responding to a request from the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Economy, Trade and Industry, we participated in the TCFD Guidance by Industry Review Committee for the food industry, established as part of the Japan Food Industry Association.

SBTN Corporate Engagement Program

On February 27, 2021, the Kirin Group became the first Japanese company in the pharmaceutical and food industry to participate in the Corporate Engagement Program held by the Science Based Targets Network. SBTN is a joint venture by non-profit organizations and companies that develops and provides methods and resources for setting science-based targets for a sustainable global environment based on the activities of the Science Based Targets Initiative (SBTi). The Corporate Engagement Program aims to work with multiple companies and other partners to develop a scientific approach to setting targets related to the corporate use of natural capital by 2022 (fresh water, land, oceans, use of resources, climate change, pollution, and non-native species).

Engagement with investors

In June 2018, we held a CSV briefing for analysts and investors at the Kirin Brewery's Yokohama Plant on the topics of "approach to the environment" and "the strengths of Kirin's technological expertise." At the briefing, we explained the various initiatives on the four themes of the Long-Term Environmental Vision, and the weight reduction technologies for containers and packaging being developed by the Institute for Packaging Innovation. We gave attendees a tour of the Institute and the Yokohama Plant.

In December 2020, we held the "KIRIN CSV DAY 2020" event online

to report on the progress of our CSV management. With regard to our environmental efforts, we provided detailed explanations centered on the issues in our four important themes and Kirin's strengths in solving them.

Dialogue with CDP

In the individual meetings with investors, we exchange opinions on our new Environmental Vision announced in February 2020 and responses to climate-related issues, including TCFD recommendations. We hope these meetings provide an opportunity for attendees to better understand the Kirin Group's initiatives.

Since 2017, we have been taking the opportunity when the CDP's chairman or CEO visits Japan to set meetings with Kirin Holdings' Senior Executive Officer in charge of CSV strategy (Group general environmental manager) and exchange opinions on responses to climate change.



CDP Executive Chair
Paul Dickinson



CEO
Paul Simpson

TCFD Summit

In response to a request from the host, the Ministry of Economy, Trade and Industry (cosponsors: the TCFD Consortium and WBCSD), the Senior Executive Officer in charge of CSV appeared as a panelist on Panel Discussion 2 "Implementation of Scenario Analysis and Case Studies" at the TCFD Summit held on October 9, 2020. During the panel discussion, participants shared information on topics such as the importance of starting and continuing scenario analysis, the significance of management and other departments' involvement in scenario analysis, and the impact of scenario analysis in changing management's mindset.

Speakers at the TCFD Summit included the Prime Minister, the Minister of Economy, Trade and Industry, Executive Vice-President of the European Commission, and the President and CEO of the World Business Council for Sustainable Development (WBCSD). The event was delivered online to a global audience with simultaneous interpretation in Japanese and English, and had over 2,500 actual viewers.

Voluntary participation leading to policy recommendations

Participation in consortium, government, and ministry activities

Organization	Nature of activity
TCFD Consortium	Kirin Holdings has participated in the TCFD Consortium since it was established in 2019. Kirin Holdings serves as a member of the Guidance by Industry Review Committee (food sector) from 2020.
Clean Ocean Material Alliance (CLOMA)	Kirin Holdings is a member of the Clean Ocean Material Alliance, which was established with a view to accelerating innovation through public-private partnerships that drive new 3R initiatives to make the use of plastic products more sustainable and promote the development and introduction of alternative materials.
WE MEAN BUSINESS	In the WE MEAN BUSINESS coalition, the Kirin Group has committed to "setting reduction targets by SBT," "report on climate change responses in mainstream reports by CDSB"
Science Based Targets (SBT)	The Kirin Group's emission reduction targets for 2030 were the first in Japan's food and beverages industry to be approved by SBT in 2017. In 2020, we acquired approval for our target under the new "SBT of 1.5° C" standards. On February 27, 2021, Kirin became the first Japanese company in the pharmaceutical and food industry to participate in the Corporate Engagement Program held by the Science Based Targets Network.
United Nations Global Compact	The Kirin Group joined the United Nations Global Compact in September 2005.
Japan Sustainability Local Group (JSLG)	Kirin Holdings participates as a steering committee member and director of the JSLG.
Fun to Share/COOL CHOICE	Since 2014, the Kirin Group has supported the Japanese government's new climate change campaigns, Fun to Share and COOL CHOICE, and has registered with these campaigns.
Voluntary Action Plan of Japan Business Federation (Nippon Keidanren)	In consideration of the conservation of the global environment, the Brewers Association of Japan, of which Kirin Brewery is a member, and the Japan Soft Drink Association, of which Kirin Beverage is a member, participate in initiatives for the reduction of environmental load conducted by Nippon Keidanren (Japan Business Federation) and are tackling CO ₂ reductions and the recycling of waste.

Organization	Nature of activity
Eco-First	Eco-First is a program in which companies make a pledge to the Minister of the Environment to conduct their own environmental conservation initiatives, such as counter-measures to global warming. The Kirin Group became the first manufacturer to be Eco-First accredited. It also participates in the Eco-First Promotion Council whose members comprise accredited companies.
Japan Business and Biodiversity Project	Kirin Holdings has joined the Japan Business and Biodiversity Partnership, which was established by Nippon Keidanren (Japan Business Federation), Japan Chamber of Commerce and Industry, and Keizai Doyukai (Japan Association of Corporate Executives) in 2010.
Green Purchasing Network (GPN)	The Kirin Group is a member of the Green Purchasing Network (GPN).
Forest Supporters	The Kirin Group participates in the activities of Forest Supporters, a civic movement that promotes the creation of beautiful forests. The National Land Afforestation Promotion Organization serves as secretariat for this movement.
Water Project	The Kirin Group has been involved in the Water Project, a public-private sector collaborative awareness-raising project established to promote the maintenance and restoration of healthy water cycles, since 2014.
Rainforest Alliance Consortium	The Kirin Group is a founding member of and active participant in the Rainforest Alliance Consortium, which was established in September 2015 by the Rainforest Alliance (Japan) and companies that handle Rainforest Alliance Certified products with the aim of promoting the certification program and certified products recognition.
Consortium for Sustainable Paper Use (CSPU)	Five (now ten) companies engaged in leading-edge paper use initiatives and WWF Japan established the Consortium for Sustainable Paper Use. As a founding member of the CSPU, the Kirin Group pursues initiatives aimed at sustainable paper use.

NGOs and environmental groups

Organization	Nature of activity
WWF Japan	We received support from the WWF Japan when developing our Guidelines for the Procurement of Sustainable Biological Resources and our Action Plan. The Consortium for Sustainable Paper Use was under joint efforts, and we are continuing to conduct activities.
Rainforest Alliance	We are working together to support the Sri Lankan tea farms and Vietnamese coffee plantations in getting Rainforest Alliance Certified.
FSC Japan	We jointly engage in activities to promote the wide use of FSC-certified paper. Kirin declared its commitment to the Vancouver Declaration on SDGs and FSC certification in 2017.
Roundtable on Sustainable Palm Oil (RSPO)	Kirin Holdings engages in activities as an associate member of the Roundtable on Sustainable Palm Oil (RSPO), a nonprofit organization that promotes the production and use of sustainable palm oil.
Earthwatch Japan	We are jointly pursuing ecological surveys at Mariko Vineyard and conducting activities to regenerate <i>Sophora flavescens</i> .

Industry organizations

Organization	Nature of activity
Brewers Association of Japan	We are jointly working on developing voluntary environmental action plans related to containers and packaging, global warming, creation of a recycle-based society, etc., and implementing associated measures and on conducting activities to prevent the scattering of beverage containers and promote community beautification.
Japan Soft Drink Association	We are jointly working on developing voluntary environmental action plans related to containers and packaging, global warming, creation of a recycle-based society, etc., and implementing associated measures and on conducting activities to prevent the scattering of beverage containers and promote community beautification.
Recycling related organizations	We are promoting 3R activities together with The Japan Containers and Packaging Recycling Association and various councils for promoting recycling.
The Beverage Industry Environment Beautification Association (BIEBA)	BIEBA brings together six beverage producer bodies to conduct activities aimed at beautification of communities.

Engagement with the next generation

Name of activity	Nature of activity
Kirin School Challenge	We hold environmental workshops for students in junior and senior high schools.
Japan Environmental Youth Network	We support the Japan Environmental Youth Network organized by the Ministry of the Environment and Environmental Restoration and Conservation Agency of Japan and serve on the adjudication panel at the regional and national conventions.