

Environmental Management

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

Passion

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.

Integrity

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.

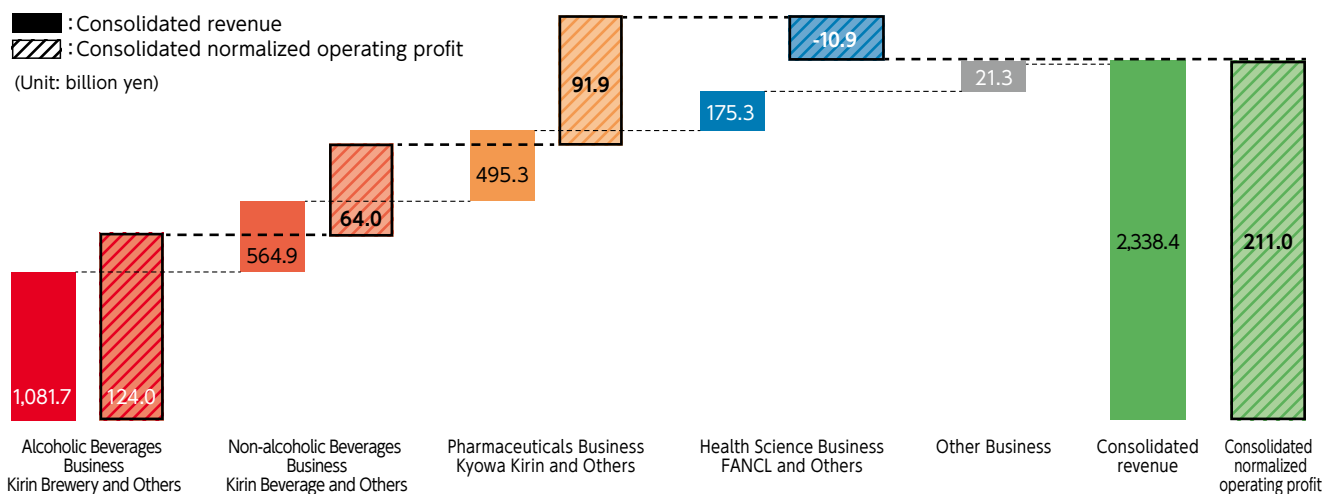
Diversity

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.

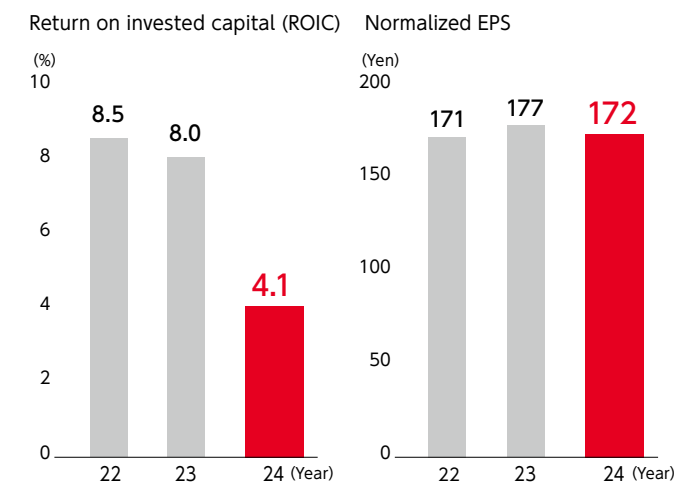
Company Overview

Company Name	Kirin Holdings Company, Limited
Establishment	February 23, 1907 * 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
Head Office	NAKANO CENTRAL PARK SOUTH 10-2, Nakano 4-chome, Nakano-ku, Tokyo 164-0001, Japan
Paid-in Capital	102,046 million yen
Number of employees	31,934 * Kirin Holdings Number of employees: As of December 31, 2024

Consolidated revenue/Consolidated normalized operating profit



Financial Key Performance Indicators



Environmental Management

Identification of Materiality

The Kirin Group assessed the materiality of sustainability issues in order to formulate the Kirin Group 2022-2024 Medium-Term Business Plan, which marks the second stage toward realizing the Long-Term Management Vision, the Kirin Group Vision 2027, announced in 2022. Following the flow for identifying materiality, we updated our social environment analysis and, through dialogue with internal and external stakeholders, discussion at the senior management level, and deliberations by the Board, we updated our "Management Issues for Sustainable Growth (Group Materiality Matrix)" with a 10-year outlook. In addition, there is a separate explanation of materiality in the general requirements of the TCFD (Task Force on Climate-related Financial Disclosures)/TNFD (Task

Force on Nature-related Financial Disclosures).

In this process, we identify the issues that are most material to the Kirin Group and its stakeholders and consider where the Kirin Group can have positive impacts. As a result, we reconfirmed that the following four important themes related to the environment that we set in the Kirin Group's Environmental Vision 2050 are highly material for the Kirin Group management: "Sustainable use of biological resources," "Sustainable use of water resources," "Sustainable recycling of containers and packaging," and "Overcoming climate change."

The TNFD Guidance (Recommendations of the Task Force on Nature-related Financial Disclosures) v1.0, published in September

2023, recommends an integrated approach to climate and nature related issues. In the 2013 Kirin Group's Environmental Vision 2050, the Kirin Group adopted a holistic approach to address the four environmental issues of biological resources, water resources, containers and packaging, and climate change as "interrelated environmental issues" rather than independent ones. This is a philosophy and concept that the Kirin Group has consistently pursued ever since it shifted its focus to environmental activities with a global perspective. As a leading company that has adopted the holistic approach, the Kirin Group aims to contribute to the dissemination of this philosophy and the resolution of environmental issues.

Flow for the identification of materiality



Management Issues for Sustainable Growth (Group Materiality Matrix) (Updated in 2024)

● Responsibility of Kirin Group Which Runs Alcoholic Beverage Businesses
● Health and well-being ● Community Engagement ● The Environment ● Fundamentals of Corporation

large Impact on Stakeholders	●Improvement of access to nutrition	<ul style="list-style-type: none"> ●Initiating new approaches to meet medical needs that go beyond pharmaceuticals ●Support for the prevention of non-communicable diseases ●Sustainable development of communities in raw material production areas and business development regions. ●Sustainable use of biological resources ●Sustainable use of water resources ●Sustainable recycling of containers and packaging ●Overcoming climate change 	<ul style="list-style-type: none"> ●Dealing with alcohol-related problems ●Ensuring food safety and security ●Ensuring quality assurance and a stable supply of pharmaceuticals ●Creating and supplying life-changing pharmaceuticals ●Creating bonds and trust for people's well-being ●Respect for human rights
	●Ensuring freedom of food choice	<ul style="list-style-type: none"> ●Helping to maintain and improve physical and mental performance ●Ensuring compliance and ethics-oriented business practices 	<ul style="list-style-type: none"> ●Support for maintaining the immune system ●Ensuring occupational health and safety ●Having human capital development for value creation ●Promoting diversity, equity and inclusion ●Improving the effectiveness of corporate governance ●Reinforcing risk management ●Protection of personal information
	●Ensuring tax transparency	<ul style="list-style-type: none"> ●Revitalization of the food-related economy ●Building sustainable logistics ●Countermeasures against cyber attacks 	<ul style="list-style-type: none"> ●Implementation of health and productivity management ●Realizing a workplace where employees can work in a lively and active way ●Strengthening group governance
medium small			
	small	medium	large Impact on the Group's business

Environmental Management

Global Trends and Kirin Group's Actions

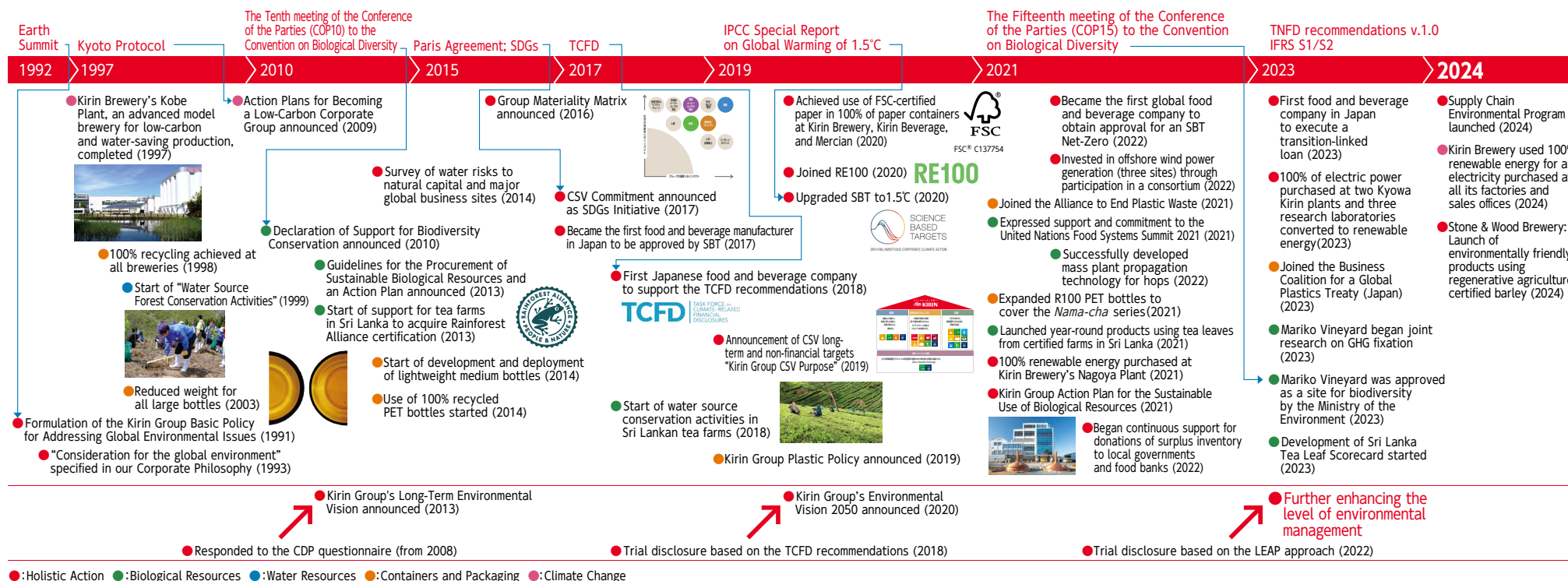
The Kirin Group has stayed ahead of global movements and has raised the level of its environmental management by proactively testing new initiatives. In anticipation of the 1992 Earth Summit in Rio de Janeiro, the Kirin Group established its Basic Policy for Addressing Global Environmental Issues in 1991. The following year, in 1993, we revised our management philosophy to state that "we aim to be a corporate group that considers the global environment," and shifted our environmental management focus from pollution control to activities that take the entire planet into consideration. Since then, we have undertaken a number of industry-first initiatives, including making a corporate presentation at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change held in Kyoto in 1997, starting our Water Source Forest Conservation Activities in 1999, making our returnable beer bottles the lightest in Japan in 2003, and making 100% of our paper containers FSC®-certified paper in 2020.

The Kirin Group has adopted an advanced disclosure framework to further raise the level of environmental management. Around 2008, we started responding to questionnaires from CDP (the then Carbon Disclosure Project). At the time in Japan, ESG was not yet considered an important issue, but responding to CDP's questionnaire was seen as an effective way to deepen understanding of global environmental issues. Appropriate responses to CDP led to the Kirin Group having a multi-layered understanding of environmental issues and to the Kirin Group's Environmental Vision 2050, which was announced in 2013. Furthermore, in order to respond to the TCFD guidance published in 2017, the Kirin Group began conducting scenario analysis early on. As a result, the need to approach the environmental themes of "biological resources," "water resources," "containers and packaging," and "climate change" as interrelated issues in an integrated manner rather than as separate issues has spread to everyone from management to employees. This common

understanding became the foundation for the improvement of environmental management.

In 2024, "Supply Chain Environmental Program" was launched, extending environmental initiatives beyond our own operations to the entire supply chain. With global ethical consumption expanding, particularly among environmentally conscious younger generations, Stone & Wood Brewery under Lion Australia released environmentally friendly products using sustainable ingredients like barley certified for regenerative agriculture.

Although pioneering initiatives involve risks, we believe that they enable us to obtain a great deal of feedback. The Kirin Group will lead the way in building a decarbonized society, Nature Positive, and Circular Economy by continuing its pioneering efforts to address global environmental challenges.



Environmental Management

Kirin Group's Value Creation Model

The Kirin Group places CSV (Creating Shared Value) at the core of its management. We will work to solve social issues through our business activities and achieve sustainable growth together with society by simultaneously creating social and economic value over the short, medium and long term. The "value creation model" illustrates a sustainable mechanism for amplifying the two types of

value creation by reinvesting the economic value gained in our organization's capabilities. Business development through the three domains of food, pharmaceutical, and health science requires the use of natural capital and the resolution of environmental challenges such as container packaging and climate change. Through the resolution of these issues and the sustainable use of natural

capital, our business creates value that gives back to society. In the value creation model, the non-financial goal of the "environment" is shown as an important factor. Under the "Kirin Group's Environmental Value Correlation," we explain how environmental issues relate to the Kirin Group's value creation model. →P.11

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

INPUT

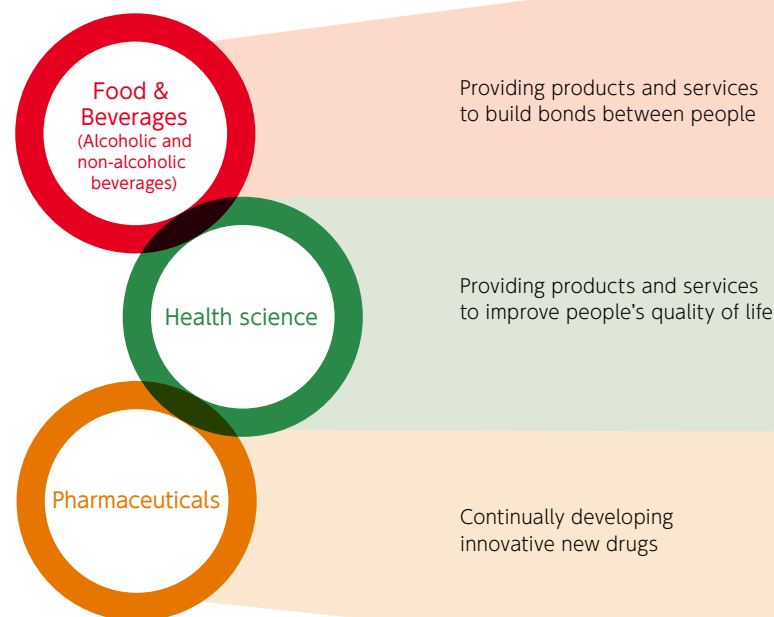
Foundations for driving innovations

Core technology that assures value creation 116.1 billion yen in R&D expenses in fiscal 2024	Consumer centric marketing expertise
	Diversity and inclusion, culture for innovation 31,934 employees (consolidated) (As of December 31, 2024)
	ICT accelerating value creation

BUSINESS

The Kirin Group is activating business synergies to approach social issues as opportunities for business growth

Business domains



OUTPUT

The Group is leveraging its foundations for driving innovations that enable its business to help society around the world settle the issues

Providing products and services to build bonds between people

Providing products and services to improve people's quality of life

Continually developing innovative new drugs

Financial key performance indicators

ROIC

CAGR of EPS

Non-financial key performance indicators

CSV Commitment

Corporate brand value

Employee engagement score

OUTCOME

The Kirin Group gives value back to the society it serves

Economic value
Maximized cash flows

Social value
Realization of CSV Purpose

Health and Well-being

The Environment

Community Engagement

Responsibility of the Kirin Group which runs Alcoholic Beverages Businesses

Kirin Group corporate governance

Environmental Management

Kirin Group's Environmental Vision 2050

Enrich the Earth with Positive Impact

Society has reached a major turning point against the backdrop of growing global environmental problems, including the climate crisis, the ongoing loss of biodiversity, and plastic pollution of the oceans. Industries such as the Kirin Group, which rely on natural bounty such as water and agricultural products, are susceptible to environmental problems and there is need to address such issues urgently.

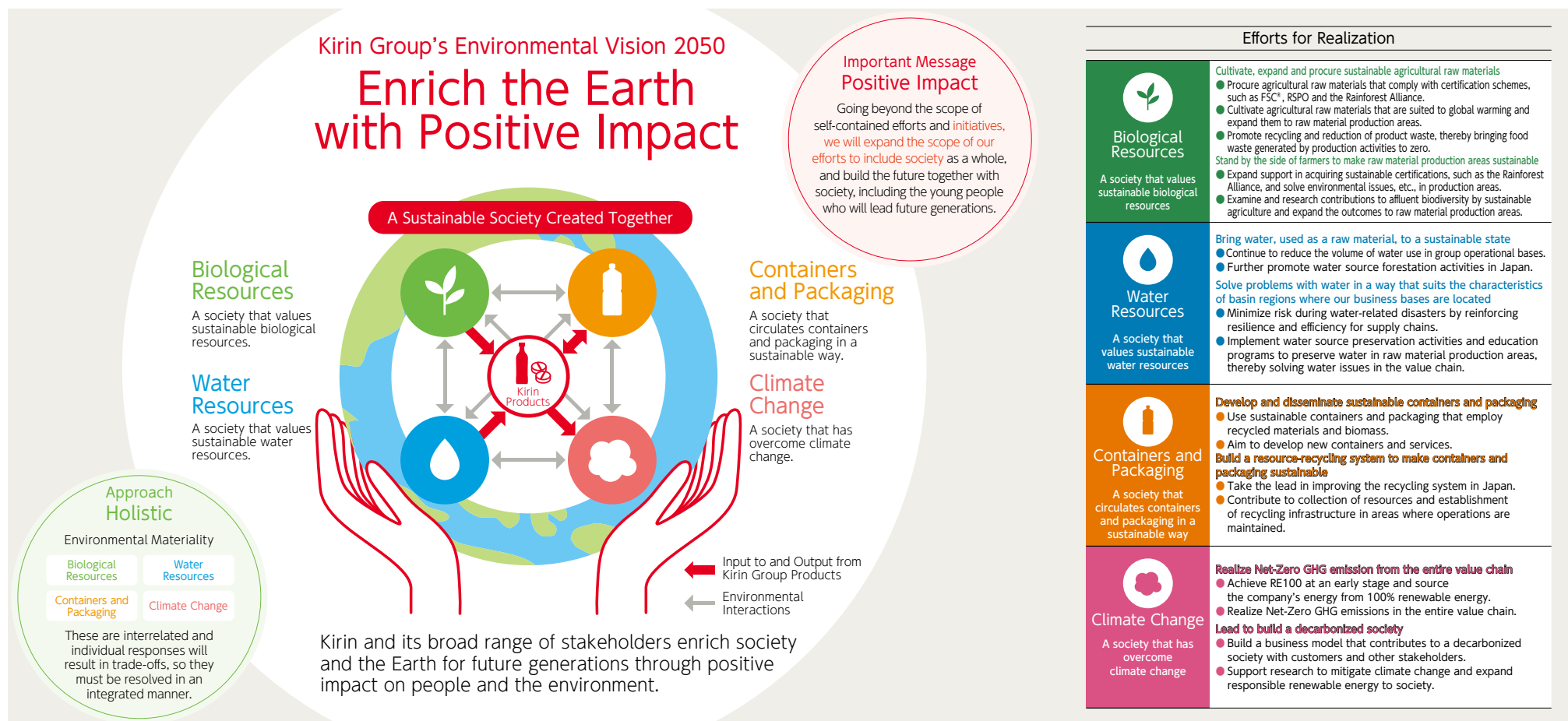
Through scenario analysis based on the TCFD recommendations, which has been conducted since 2017, the Kirin Group has

grasped the seriousness of the impact that climate change have on agricultural products and water resources. We have learned that in order to pass on a sustainable Earth to future generations, it is not enough to simply minimize negative impacts and achieve neutrality. Furthermore, corporate environmental policies are expected to evolve from being self-contained within a company to having a positive impact on society as a whole.

In order to respond to such societal demands, the Kirin Group

has further developed the idea of an "integrated" approach that holistically addresses complex and interrelated environmental issues (biological resources, water resources, containers and packaging, and climate change) into our revised the "Kirin Group's Environmental Vision 2050" and "Positive Impact" approach, which were discussed and resolved by the Board in 2020.

Under this new Vision, together with the young people who will lead the future, we will create a prosperous world for the next generation.



Environmental Management

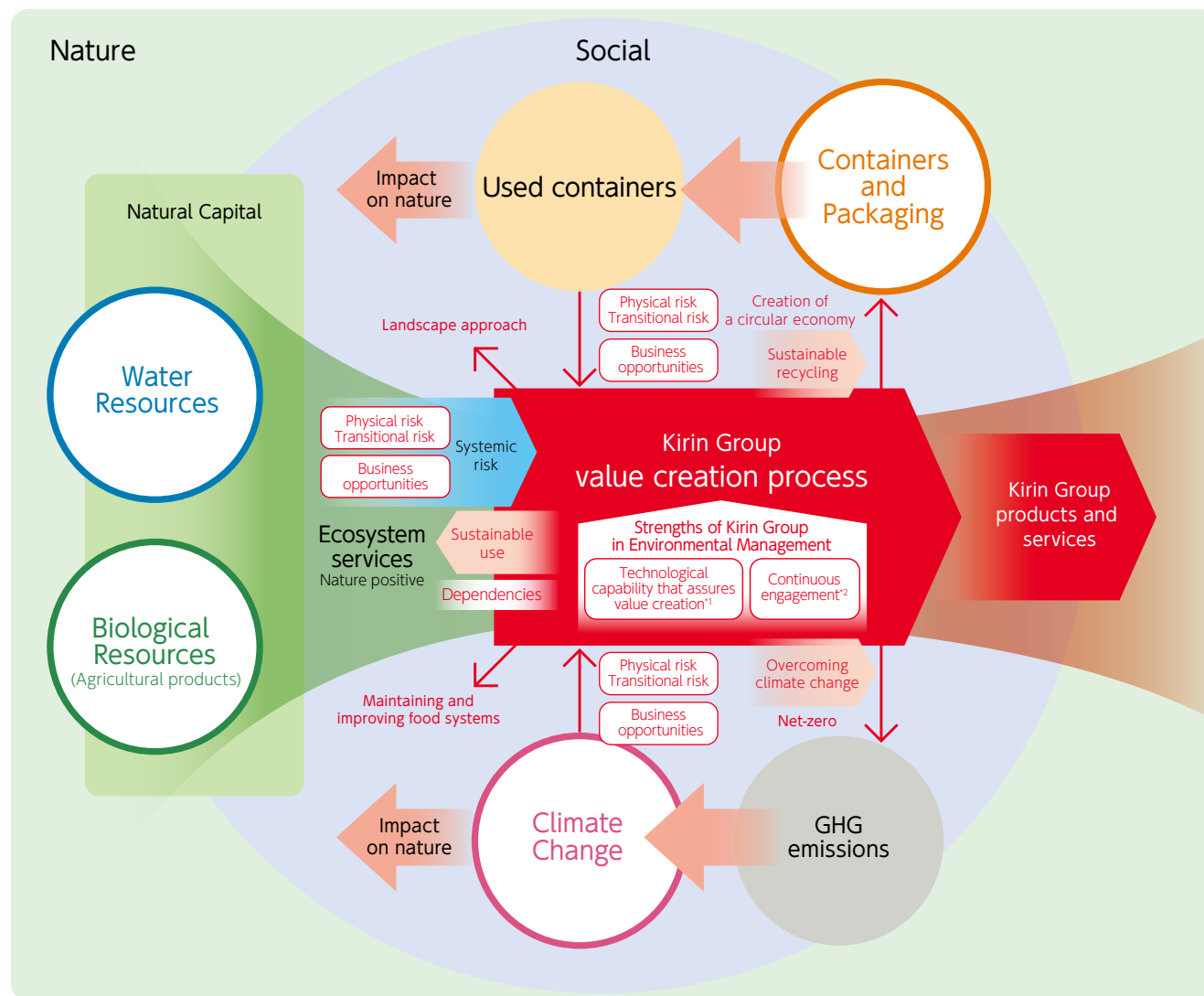
Kirin Group's Environmental Vision 2050

Expanding the Scope of Positive Impact

We have made some revisions to the "Environmental Value Correlation Chart," which shows the Kirin Group's integrated approach, to clarify that we will expand the scope of our positive impacts, which is a key message of our Environmental Vision. What we added was the "Landscape Approach" and the concept of "food systems."

In Sri Lanka, we decided that the procurement of certified tea leaves alone would not ensure the sustainability of our production sites, so we chose to support tea farms in obtaining certification. The Kunming-Montreal Global Biodiversity Framework (GBF) refers to the "Landscape Approach" as a method that comprehensively addresses the diverse human activities and natural environments of raw material production sites and leads to sustainable solutions to problems. The Sri Lankan case is also a solution to the problem through the concept of a "food system," which considers food not as an individual issue such as agriculture, but as a whole system involving food production, processing, distribution, consumption, and waste.

A one-dimensional view that looks only upstream and downstream, with the company at the center, could fail to realize that there are negative trade-offs for others outside the value chain, even if there seems to be a positive impact on the company. Although the landscape approach and the approach treating food as a systems take time and effort, they have a positive impact on raw material producing areas and contribute to stable procurement of raw materials and brand improvement. So, we have decided to clearly recognize and work on them as part of the Kirin Group's integrated approach.





*1 Engineering and R&D capabilities (Kirin Central Research Institute, Institute of Health Sciences, Institute for Packaging Innovation)

*2 Engagements: Contributions to rulemaking and policy recommendations (TCFD, SBTN, TNFD pilot test participation), various organizations (NGO: Rainforest Alliance), FSC Japan, WWF Japan, Earthwatch Japan, etc. Consortiums: Consortium for Sustainable Paper Use, Rainforest Alliance Consortium, Australian Climate Leaders Coalition, etc. Communities: Sri Lanka tea farms, areas around Mercian's own managed fields, etc. Next generation: Kirin School Challenge, Japan Environmental Youth Network, etc.

Environmental Management

Progress (2024)

The four themes of the Environmental Vision is reflected in the “CSV Commitment”, a medium- to long-term action plan that each business is working on to achieve the “CSV Purpose.” The status of their implementation is monitored on a quarterly basis and reported to the Kirin Holdings Board of Directors. Current progress toward the targets, including qualitative ones, is as follows.

Group Materiality Matrix		Particularly contribute to SDG targets	CSV Commitment							
Medium items	Theme		Approach	Our Achievements	Company/Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
 Sustainable use of biological resources	Tea leaves	2.3 4.6 15.4	We will expand our support for acquiring Rainforest Alliance certification, which will lead to the stable procurement of tea leaves by solving environmental problems in production areas.	Number of farms supported to obtain Sri Lanka RA certification	Kirin Beverage	Farms : 15 Small farms : 5,350	Cumulative total 2022-2024	Farms : 4 Small farms : 9	Farms : 0 Small farms : 620	Farms : 5 Small farms : 3,389
	Paper	15.4	Through the procurement of FSC® certified paper and other means, we will work to ensure the sustainability of raw materials that may otherwise be destroyed by deforestation.	Usage ratio of FSC-certified paper or recycled paper for paper containers and packaging	Kirin Brewery	100%	2024	100%	100%	100%
					Kirin Beverage	100%	2024	100%	100%	100%
					Mercian	100%	2024	100%	100%	100%
					Koiwai Dairy Products	100%	2030	Implementation of switching of 4 products	93%	93%
					Kyowa Hakko Bio	100%	2030	80%	80%	80%
					Kyowa Kirin	100%	2030	50%	74%	72%
					Kirin Holdings Health Science Business Dept.	①Adoption of FSC-certificated paper : 100%	Cumulative total 2022-2024	① 100%	① 100%	① No applicable items
						②Switch to FSC-certified paper: 4 products		② 2 products	② 0 product	② 1 product
						③Switch to non-metallic packaging materials: 2 products		③ 1 product	③ 1 product	③ 0 product
	Food waste	12.3	We will promote the reduction of product disposal and recycling, which will lead to a reduction in food waste generated by production activities.	Amount of product waste reduction rate	Kirin Brewery	50% (compared to 2015)	2024	50% or more achieved	50% or more achieved	50% or more achieved
					Kirin Beverage	50% or more (compared to 2015)	2030	50% or more achieved	50% or more achieved	50% or more achieved
 Sustainable use of water resources		6.4	By reducing the amount of water used in our business activities, we will ensure the sustainability of water resources by conducting water resource preservation activities and other measures.	Improvement of water stewardship	Kirin Brewery	5.6l/l or less	2024	5.6l/l	5.8l/l	5.5l/l
					Mercian *Fujisawa Plant	3.41l/l or less	2024	3.54l/l	3.60l/l	3.51l/l
					Lion *Tooheys Brewery, Castlemaine Perkins Brewery, James Boag, Pride	2.4l/l or less	2025	3.6l/l	3.3l/l	3.1l/l
				Reduction rate of water use volumes	Kirin Beverage *Shonan Plant, Shinshu Beverage	Less than 2023	2024	1,950,000m ³	1,750,655m ³	1,873,762m ³
					Kyowa Hakko Bio	32% (compared to 2015)	2030	51%	63%	66%
					Kyowa Kirin	40% (compared to 2019)	2030	33%	36%	34%

Environmental Management

Progress (2024)

Group Materiality Matrix		CSV Commitment							
Medium items	Particularly contribute to SDG targets	Approach	Our Achievements	Company/Department	Target Value	Target Year	Latest Achievements (2022)	Latest Achievements (2023)	Latest Achievements (2024)
 Sustainable recycling of containers and packaging	12.4 14.1	In addition to the use of recycled materials and biomass, and the development of new containers and services, we will help improve the sustainability of the PET resource cycle by building recycling systems and developing resource recovery and recycling infrastructure in the regions where we operate.	Percentage of plastic bottle recycled resin used	Kirin Brewery	50%	2027	8%	28%	36%
				Kirin Beverage					
				Mercian					
			Reduction of one-way plastic volume Reduction of PET volume	Mercian	PET bottles 93t	2024	66t	159t	148t
					Other plastic bottles 34.5t (compared to 2020)		13.2t	20.5t	24.8t
			Percentage of containers and packaging materials that can be reused, recycled, or composted	Lion	100%	2025	99%	99%	99%
 Overcoming climate change	7.2 13.1	In addition to achieving RE100 at an early stage and making 100% of the energy used by our company come from renewable energy sources, we will expand the use of renewable energy in society and work with stakeholders to build a business model that contributes to a decarbonized society.	GHG (Green House Gas) emission reduction rate: Scope 1+2	Kirin Brewery	55% (compared to 2019)	2030	10%	17%	30%
					30% (compared to 2019)	2024			
				Kirin Beverage	55% (compared to 2019)	2030	11%	16%	14%
					17% (compared to 2019)	2024			
				Mercian	55% (compared to 2019)	2030	6%	33%	48%
					25% (compared to 2019)	2024			
				Lion	55% (compared to 2019)	2030	26%	43%	43%
					30% (compared to 2019)	2024			
				Kyowa Hakko Bio	55% (compared to 2019)	2030	32%	47%	52%
					32% (compared to 2019)	2024			
				Kyowa Kirin	55% (compared to 2019)	2030	42%	55%	64%
					51% (compared to 2019)	2024			
			Ratio of renewable energy to electricity used by the entire Group	Kirin Holdings CSV strategy Dept.	100%	2040	27%	42%	49%
			GHG (Green House Gas) emission reduction rate: Scope 3	Kirin Holdings CSV strategy Dept.	30% (compared to 2019)	2030	8%	10%	10%

* This index is for the paper containers and packaging handled by each business company, and the applicable items are determined by each business company.

Environmental Management

Holistic Environmental Management Information Disclosure Based on the ISSB and TNFD Recommendations, etc.

In this part →P.14~75, we explain how the Kirin Group analyzes and assesses the impacts of climate change and issues related to natural capital and containers and packaging, and promotes transition strategies such as mitigation and adaptation, in order to appropriately and continuously create value. The Kirin Group recognizes the need for a holistic approach to important environmental material themes such as biological resources, water resources, containers and packaging, and climate change, and strives to provide a holistic explanation to the extent possible because there is a risk of trade-offs in resolving individual issues.

When preparing the information in this section, we have complied with the TCFD recommendations (June 2018), the new TCFD guidance (October 2021), and the TNFD recommendations v1.0 (September 2023). In addition, we have referred to the IFRS S1 and IFRS S2 standards published by the International Sustainability Standards Board (ISSB) in parts.

The general requirements of the TCFD, TNFD, and other frameworks are as follows.

	Contents
Disclosure Material information	<ul style="list-style-type: none"> ● The four environmental themes "Management Issues for Sustainable Growth (hereafter, GMM)" identified according to the "Identification of materiality" are biological resources, water resources, containers and packaging, and climate change. ● In the case of climate change, the risks, opportunities, and resilience that were included in the scenario analysis were assessed. ● In the case of natural capital, the key issues identified in the LEAP approach advocated by the TNFD were individually identified.
Scope of disclosure	Climate change <ul style="list-style-type: none"> ● Kirin Brewery, Kirin Beverage, Mercian, Lion, Kyowa Kirin, Kyowa Hakko Bio, Koiwai Dairy Products and all businesses targeted in accordance with the SBT standards have impacts and impacts on their business locations, upstream and downstream of the value chain. ● Although not included in this report, information obtained through Supply Chain Environment Program, which began in April 2024 to capture direct environmental data, will be disclosed in a timely manner.
	Water resources <ul style="list-style-type: none"> ● Kirin Brewery, Kirin Distillery, Mercian, Kirin Beverage, Shinshu Beverage, Koiwai Dairy Products, Kyowa Kirin, Kyowa Hakko Bio, BioKyowa, Kyowa Kirin US, Kyowa Pharma Chemical, Shanghai Kyowa Amino Acid, THAI KYOWA BIOTECHNOLOGIES, Kirin Brewery (Zhuhai), Interfood, Four Roses Distillery, Lion, New Belgium Brewing.
	Biological resources <ul style="list-style-type: none"> ● Kirin Brewery, Kirin Beverage, Mercian, Lion, Kyowa Kirin, Kyowa Hakko Bio, and Koiwai Dairy Products are the main targets. In accordance with TNFD recommendations v1.0, the risks and opportunities of natural capital are analyzed and evaluated to identify material issues based on impacts, dependencies, and impacts, and the scope of disclosure and impact determined. (However, since the means to obtain direct information is limited and the tools provided still have many issues, the information disclosed is limited.)
	Containers and packaging <ul style="list-style-type: none"> ● Kirin Brewery, Kirin Beverage, Mercian, Lion, Kyowa Kirin, Kyowa Hakko Bio, Koiwai Dairy Products.
Location of related issues	Climate change · Water resources <ul style="list-style-type: none"> ● GHG emitting sites, upstream and downstream of the value chain. ● Sites, upstream and downstream regions of the value chain, transportation routes, etc. that are affected by droughts, floods, and natural disasters due to climate change.
	Biological resources <ul style="list-style-type: none"> ● Raw materials subject to the "Kirin Group Action Plan for Sustainable Use of Biological Resources. → P.78" and their sources. ● Priority areas identified through risk and opportunity analysis in accordance with TNFD recommendations v1.0.
	Containers and packaging <ul style="list-style-type: none"> ● All processes until the product is delivered to the customer. ● Processes such as the recovery and recycling of used containers, as well as locations where containers are improperly disposed of and areas affected by the contamination.
Integration of other sustainability-related disclosures	<ul style="list-style-type: none"> ● Since biological resources, water resources, containers and packaging, and climate change, which are important material themes of the Kirin Group, are interrelated and there is a risk of trade-offs in resolving individual issues, we adopted a holistic approach to resolve issues in an integrated manner. ● Conform to the individual disclosure guidance of TCFD and TNFD, and disclose interlinkages and trade-offs in the same report.
Period covered	<ul style="list-style-type: none"> ● Periods when risk materializes: we have generally defined the short term as from the present to 2027 (Medium-term business plan period), the medium term as from 2028 to 2030 (the SDGs target period), and the long term as 2031 to 2050 (the target year for the Kirin Group's Environmental Vision 2050). ● Since the papers used as sources of information do not necessarily correspond to this time frame, the time frame used in the papers will be used.
Engagement	<ul style="list-style-type: none"> ● See the provisions for indigenous peoples and local community stakeholders in the FSC and Rainforest Alliance certifications adopted by the Kirin Group. ● In areas where a landscape approach can be adopted, instead of simply making decisions based on analysis and evaluation of disclosed data, enter the area and engage with local people.