

Contributing to the community where raw materials are produced by working to prevent and reduce human rights issues in the supply chain

Community Engagement

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CSV Stories : Community Engagement

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CSV Commitment	SDGs Goal	SDGs Target
Community Engagement: Respect for Human Rights		8.7, 8.8
Representative our achievements and target value: Number of initiated human rights due diligence on supply chains for agricultural products with high human rights risk 3 cases (cumulative total 2022-2024)		12.6

In recent years, social interest in human rights issues related to business activities has increased. The scope of this interest extends not only to a company's own employees but also to the materials used in its products. Companies are expected to address human rights issues such as child labor and forced labor throughout their value chains to reduce such risks.

Against this backdrop, the Kirin Group aims to build a sustainable supply chain and contribute to the communities in raw materials are produced by identifying human rights risks in the supply chain of key raw materials and working to prevent and reduce human rights issues.

Developed "The Supplier Code" based on global social imperatives

In 2017, the Kirin Group established the Kirin Group Sustainable Procurement Policy in accordance with the UN Guiding Principles on Business and Human Rights ("Guiding Principles"), a global standard, to fulfill our social responsibility in the supply chain. Based on this policy, we are working to realize a sustainable society by promoting management that respects human rights in Japan and overseas.

In 2020, the Group CSV Committee, chaired by the President & CEO of Kirin Holdings, exchanged opinions on "Addressing Human Rights in the Supply Chain" and affirmed that the Group will strengthen its initiatives in this area. This led to the establishment of the Kirin Group Sustainable Supplier Code in 2021, with the cooperation of external experts, including NGOs specializing in human rights. We ask our suppliers, who are our business partners, to understand and cooperate with our Code and collaborate with them to build a sustainable supply chain.

Kirin Group Sustainable Procurement Policy

1. Quality-oriented

In accordance with the Kirin Group's Quality Policy, we give priority to quality and safety in our procurement activities.

2. Compliance

In accordance with the Kirin Group's Compliance Policy, we comply with social norms, relevant laws and regulations and its sprits and carry out sensible activities to be trusted by society.

3. Respect for human rights

In accordance with the Kirin Group's Human Rights Policy, we will promote this concept and implement human rights initiatives with our suppliers.

4. Environmental conservation

In accordance with the Kirin Group Environmental Policy, we will strive to protect the environment, prevent pollution, and conduct procurement activities in consideration of the global environment.

5. Business integrity for coevolving relationships with our suppliers

We will build long-term relationships of trust with our suppliers through open and fair procurement activities, and strive for coexistence and co-prosperity with our suppliers and society.

Understanding risk by tracing back upstream in the supply chain

As society's demand for solutions to human rights issues increases, the Kirin Group are also promoting "human rights due diligence" initiatives to identify and manage negative human rights impacts related to our business activities, including our supply chains, and to take preventive and mitigating measures. We conducted human rights due diligence at a coffee supplier in Laos in 2018 and at a soybean supplier in China in 2021.

*Human rights due diligence of a soybean supplier in China was conducted online due to the COVID-19 pandemic.

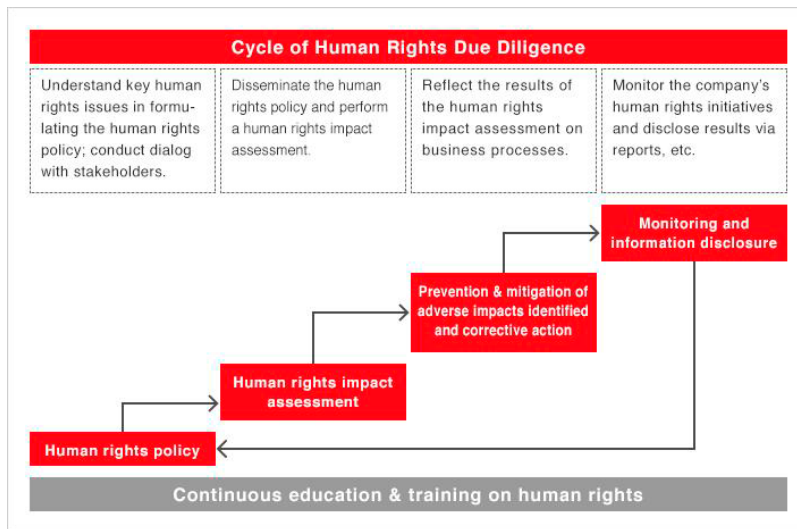
The Kirin Group conducts human rights due diligence by assessing risks in its supply chain and identifying areas of risk at first. We then ask 1st tier suppliers in the relevant supply chain to cooperate and expand the scope further to upstream suppliers. Here, primary suppliers, rather than the Kirin Group, explain the purpose of the survey and questionnaire to the upstream suppliers, and the points to be checked are narrowed down before an on-site audit is conducted. Third-party organizations, such as NGOs, are invited to participate as needed to ensure a more transparent and impartial evaluation.

In line with the establishment of the supplier code, we have conducted another risk assessment of the agricultural products and processed agricultural products we procure. In assessing risk, we used the evaluation tool provided by Sedex(Supplier Ethical Data Exchange), an NPO dedicated to promoting

Value Creation Model / Outcome

ethical trade in the global supply chain at corporations, and with the advice of external expert organizations, we prioritized suppliers for human rights due diligence based on the two axes of (1) human rights risk in the procuring country and (2) impact on business.

Based on the results of this risk assessment, we plan to conduct human rights due diligence on the supply chain of Sri Lankan tea leaves used in Kirin Beverage's mainstay brand Kirin Gogo-no-Kocha and Argentine grapes used in Mercian's wines in the 2022 Medium-term Business Plan. In the future, we will disclose this initiative to our stakeholders and work with internal and external parties to resolve any human rights issues that are discovered.



Profile



Koji Miyamori

Kirin Holdings Company, Limited Procurement Department Senior Manager

After working in the pharmaceutical and food businesses, he has been in charge of raw material procurement for the alcoholic beverages and beverage business in the Procurement Department since 2013, and is currently in charge of promoting sustainable procurement for the group as the leader of the Planning Group in the Procurement Department.

*Stated information as at the date it is made