

Compliance

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Within the Kirin Group, we define compliance as "fulfilling both legal and ethical responsibilities that society expects from us by adhering to laws, internal and external regulations and rules, and social norms, so that the Kirin Group can avoid the risk of suffering unexpected financial loss or of destroying its credibility and can retain and strengthen the trust of stakeholders." Group Risk and Compliance Committee promotes and manages Group-wide compliance activities, while each Group company integrates compliance activities into Risk management processes to ensure effective implementation.

Compliance Policy / Compliance Guidelines

"Group Compliance Policy" sets forth the fundamental concepts and behaviors that are legally and ethically required of executives and employees in order to implement the Kirin Group's Corporate Philosophy, Vision and Values. For more specific actions, we have prepared "Compliance Guidelines" and educational tools according to the characteristics of each country and business, and are working to disseminate them. In Japan, we have created "The Rule" as a tool to raise awareness and disseminate it to all executives and employees to ensure thorough compliance.

In addition, the "Group Compliance Policy" and "Compliance Guidelines" are reviewed from time to time in response to changes in social requirements, such as the UN Global Compact and the OECD.



An internal material to raise awareness about "Compliance Guidelines"

Compliance training program

The Kirin Group conducts compliance training every year for all executives and employees in Japan. We aim to help them understand the basics of compliance, such as "compliance is not someone else's problem," "bad information should be reported promptly and accurately," and "act openly and fairly," and to develop sensitivity to changes in society through the training.

In addition, the Kirin Group has established various whistle-blowing systems (see the below section on "Hotline"). We make people aware through compliance training and other activities that reporting to the hotline is for the purpose of improving the company by detecting and responding to the seeds of injustice at an early stage, thereby improving awareness of the hotline and creating an environment where it is easy to report.

In overseas, education and training activities are conducted in accordance with the unique circumstances of each region.

We also conduct an annual compliance and human rights awareness survey mainly for Group companies in Japan to confirm the degree of penetration of compliance, and to investigate and take appropriate measures to improve any comments that appear to be problematic.

Providing hotlines

The Kirin Group has established an internal hotline for reporting compliance violations, human rights issues (including harassment), and other acts that violate (or may violate) the Compliance Policy and Compliance Guidelines, with the aim of preventing serious problems associated with corporate activities.

In Japan, we have an internal hotline manned by Kirin staffers, as well as an external hotline with a third-party consultant. In overseas Group companies, we have a global hotline that allows employees of overseas Group companies to report to Kirin Holdings in the language they use locally, in addition to the hotlines at each company.

Both Japanese and global hotlines are posted on each Group company's intranet, etc., and they are made known to employees through annual compliance training sessions and other means.

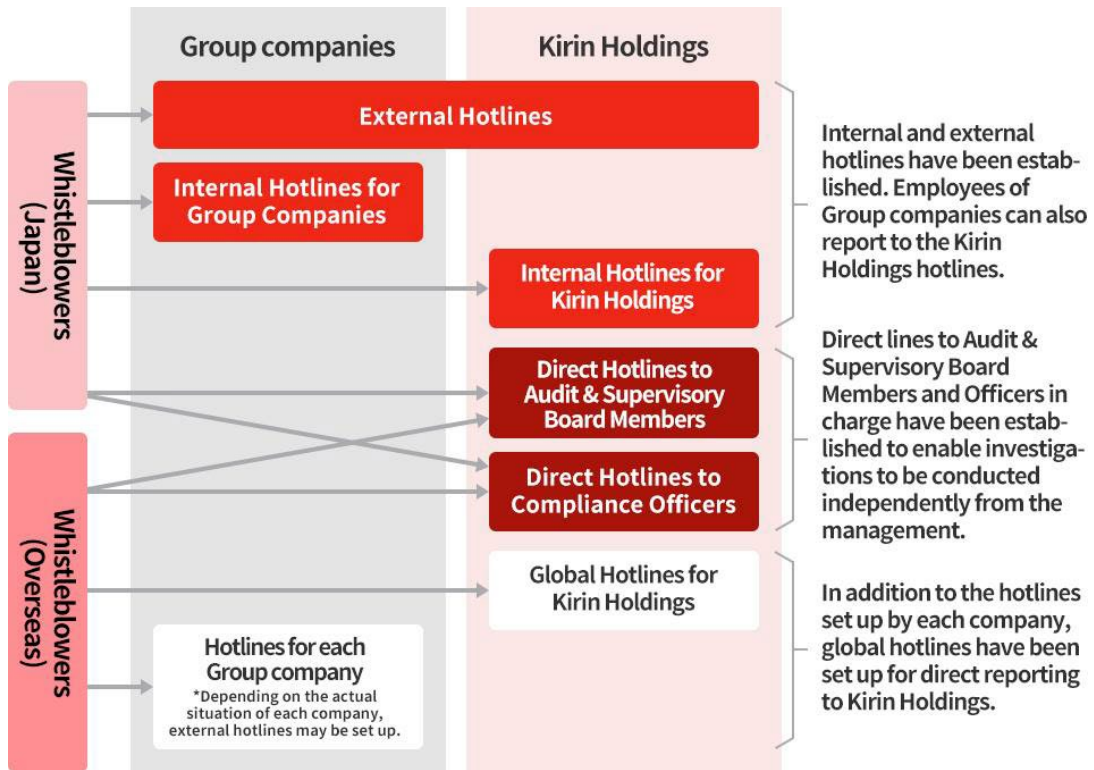
In addition, we have established the "Rules for the Establishment and Operation of the Internal Hotline", including the acceptance of anonymous reports, the protection of information on whistleblowers and those cooperating in investigations, the prohibition of disadvantageous treatment due to reporting, and other rules.

In order to improve the effectiveness of the hotline, we conduct a survey every year on the willingness and the level of awareness of the hotline among the employees. In addition to receiving reports of violations, the hotline also accepts opinions and questions about matters related to the internal reporting system. Through these efforts, we have established a framework to improve the operation of the hotline by listening to the opinions of employees who utilize the hotline.

Furthermore, we have established a hotline directly accessible to Standing Audit & Supervisory Board Members as well as to compliance officers so that investigations, etc. can proceed independently in cases where the involvement of executives from Kirin Holdings and Kirin Group companies is suspected.

Overall image

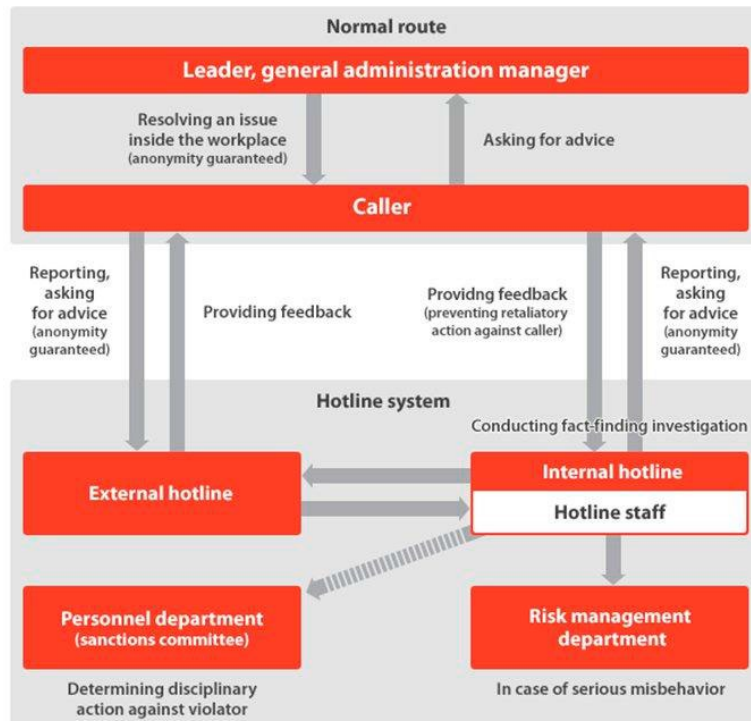
We provide an environment where it is easier to report by securing multiple lines in addition to the normal lines that are directed to managers.



How Hotlines Work

The following is the general procedure for handling whistleblower reports received via the hotline.

1. A whistleblower reports an incident (anonymity is guaranteed).
2. Prompt notification of receipt shall be made after receipt of the report.
3. After confirming the content of the report, a decision on whether or not to conduct an investigation shall be made generally within 20 days of receipt of such report, and the whistleblower shall then be notified.
4. Fact-finding and investigation shall be conducted.
 - Information on the method and progress of the investigation shall be shared as appropriate in a manner that does not interfere with the progress of the investigation or with the privacy of the subject of the investigation.
 - In case of serious violations as a result of the investigation, disciplinary action shall be considered.
5. Feedback on survey results to be provided.
 - Feedback of the results of the investigation shall be conducted in a manner that does not interfere with the privacy of the subject of the investigation.
 - Prevention of retaliation, including confirmation that the whistleblower has not been treated disadvantageously because of his or her report.



Number of calls to the hotlines in the Kirin Group

We provide an environment where it is easier to report by securing multiple lines in addition to the normal lines that are directed to managers.

2019	2020	2021
99	85	81

Anti-corruption initiatives

The Kirin Group adheres to ethical behavior in its business operations in each region and does not tolerate any form of bribery or corruption, whether in the public or private sector. With this strong determination, Kirin Holdings and its Group companies are building systems and implementing initiatives.

In particular, we have established the "Kirin Group Anti-Bribery Guidelines" and the "Rules for the Kirin Group Anti-Bribery" to prohibit direct and indirect bribery, facilitation payments, etc., and require our business partners to follow the same policies and prohibit corrupt practices.

In addition, we require Group companies operating in countries with high bribery risk to conduct periodic anti-corruption training for employees and annual self-assessments of risk, and Kirin Holdings confirms the details of these assessments, also we use outside attorneys and other resources to investigate the status of anti-bribery efforts.

Initiatives to Prevent Misconduct in Research Activities

To prevent misconduct in the research activities of each company involved in Kirin Holdings Company, Limited, we have established and operate a consultation and whistle-blowing system, put in place internal regulations, and conduct training in accordance with the Kirin Group's Compliance Guidelines.

- General manager (person with the authority to oversee overall efforts to improve research ethics and prevent misconduct, etc.): Head of Kirin Holdings Company, Limited Research and Development Division
- Divisional managers (personnel responsible for improving research ethics and preventing misconduct in relevant divisions and departments): Head of Kirin Holdings Company, Limited Research and Development Division and the heads of research and development divisions of regional companies (for Mercian, the head of each technological division and department).
- Research ethics education managers (personnel with substantial authority in regard to research ethics education): Personnel appointed by the divisional managers.