

## Third-Party Opinion

Corporate social responsibility (CSR) is defined today as the responsibility that a corporation bears for the consequences of its business decisions and operations for society and the environment. A corporation is expected to fulfill its CSR in a manner that meets the expectations of its stakeholders.

First of all, I give high marks to the Kirin Group for selecting a dozen high-priority CSR initiatives by carefully assessing a diverse range of social issues. It is a novel and ambitious approach to deciding on what to focus. To make it even more effective, I would suggest that the Group ascertain exactly what impact each of its businesses has on society and the environment, and show in a future report which impact is most closely associated with what social issues.

In 2010, the World Health Organization resolved to adopt the Global Strategy to Reduce the Harmful Use of Alcohol. This strategy provides alcohol beverages companies in the world with a basis on which to assess the impact of their businesses on society and environment. When I attended the first stakeholder dialogue session that Kirin Brewery organized in September 2010, I felt that the Kirin Group should make it a top priority to address alcohol-related problems (ARPs). There is an argument overseas for a relationship between parents' drinking habits and physical abuse of their children. I realize that Kirin Brewery has been leading the alcohol beverages industry in Japan in its efforts to address ARPs as evidenced when it established the ARP Office. The Kirin Group should go on to become one of the world leaders in tackling ARPs in the global arena.

Industrial activities are partly responsible for water scarcity in the world, which has become particularly serious in Asia and Oceania. This report tells us how the Kirin Group has been reducing water usage in manufacturing. I would suggest that the Group extend its water-saving efforts to the growing and procuring of raw materials by working with suppliers to reduce stress on water sources.

The pharmaceuticals business as well as the health and functional foods business has an increasing potential to benefit society. I like the first six pages of "Food and Health" section of this report, as they give a comprehensive update on what the Group has been doing in those businesses. I would like a future report to delve into stakeholders' health needs, such as the prevention of obesity and other lifestyle-induced



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diseases, that the Group strives to address, and to discuss how the Group's R&D results and product benefits measure up to those needs.

Global expansion is one of the operative words to describe the Kirin Group's business strategy. As the Group's business expands globally, policies and initiatives described in "Valuing Employees" section of this report should extend externally and broadly to customers and those people engaged in the Group's supply chain. In 2011, the Organisation for Economic Co-operation and Development is scheduled to update the Guidelines for Multinational Enterprises to include clauses on human rights, and the United Nations Human Rights Council is expected to adopt the Guiding Principles on Business and Human Rights. It is good to know that the Group is shifting its mid-term strategic focus from a quantitative expansion to a qualitative expansion. The alcohol beverages market in Japan has been characterized by intense competition among manufacturers. Aggressively going after market share, however, may not always be compatible with ensuring sustainability for human society and the Earth. I hope the Kirin Group continues to care about its customers and to serve them with integrity and dedication.

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I have provided a third-party opinion on the Kirin Group's CSR activities described in this report and on the way the Group disclosed relevant information, from the perspective of a provider of corporate information to financial institutions to serve their decision-making regarding socially responsible investment. This opinion does not express a view on whether this report presents, in all material respects, matters measured, calculated, and prepared in accordance with environmental reporting guidelines generally accepted.

## Expert Advice

The following three experts offered us their advice in their respective areas of expertise.

### Ensuring Food Safety



**Yukiko Furuya**  
Board Member  
Nippon Association of  
Consumer Specialists

▶ See Page 29

### Environmental Stewardship Initiatives Built around Sustainability



**Kosuke Ikehara**  
Climate Change Project  
Leader  
World Wide Fund for Nature  
Japan

▶ See Page 35

### Embracing Diversity and Inclusion



**Professor Emiko  
Takeishi**  
Faculty of Life-long  
Learning and Career Studies  
Hosei University, Tokyo,  
Japan

▶ See Page 52

## How We Act Upon Expert Advice

**Yoshinori Isozaki** Managing Director, Kirin Holdings Co., Ltd.



The Kirin Group considers fulfilling CSR one of the most important management objectives, and has been helping conserve global environment and achieve a sustainable society. This report, as the 2010 report did, updates you in great detail on our CSR initiatives and activities integrated into our business operations.

Four experts offered their professional assessments of our CSR activities and shared their opinions on how we could do better. We appreciate their candidness. We will incorporate their suggested improvements into the planning of our new CSR projects and activities.

In particular, we realize that the three issues that Mr. Adachi raised—alcohol-related problems, water-saving efforts in the supply chain, and approaches to human rights—need to be pushed up the agenda as our business expands globally. We will step up our already aggressive efforts to address those three issues from a broader, more global perspective.

While we were preparing this report, the Great East Japan Earthquake, which can only be described as unprecedented in scale, struck the Tohoku region. The Kirin Group is committed to supporting reconstruction efforts in the affected areas to foster stronger bonds among people and communities.

We appreciate your feedback.

## Information on Kirin Group Companies' Sustainability Efforts

Several Kirin Group companies report their CSR activities in English.

■ **Kyowa Hakko Kirin Group CSR Report** <http://www.kyowa-kirin.co.jp/english/csr/report/index.html>

■ **Lion Nathan National Foods Sustainability Reporting** <http://lnnf.com.au/sustainability/sustainability-reporting/>

**CSR Section in Kirin Holdings' web site** <http://www.kirinholdings.co.jp/english/csr/index.html>

**List of indicators based on GRI G3 Guidelines:** [http://www.kirinholdings.co.jp/english/csr/pdf/report2011/gri\\_2011e.pdf](http://www.kirinholdings.co.jp/english/csr/pdf/report2011/gri_2011e.pdf)