

Kirin Group

Our CSV Commitment

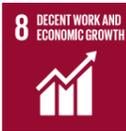
In order to grow continuously with society, we have established “health and well-being,” “community engagement,” and “the environment” as key social issues on which we will focus, in addition to being “a responsible alcohol producer,” given the fact that we are a corporate group that deals with alcoholic beverages. For these social issues, we have referenced the Sustainable Development Goals (SDGs)* and decided on 17 commitments that will help clarify the kind of company we aim to be through our business over the medium to long term. In addition, we have formulated specific approaches to reach desired outcomes for fulfilling these commitments. By making Groupwide efforts toward these commitments, we aim to contribute to a happy and prosperous future for our customers.

* The Sustainable Development Goals (SDGs) pertain to issues that international society should address over the next 15 years between 2016 and 2030 in order to realize sustainable global development. The SDGs were adopted at the United Nations summit in September 2015.



CSV priority issue	Item	SDGs		Our story	Our Commitment	Our approach	Our outcomes
		Goals	Targets				
A Responsible Alcohol Producer	Education in appropriate drinking and nurturing a positive drinking culture		<p><i>Strengthen the prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol (Target 3.5)</i></p>	<p>▶ As a responsible alcohol producer, we are concerned that the harmful use of alcohol can create adverse health consequences and contribute to social problems. To address these issues, we will ensure that we promote moderate consumption to help create a positive drinking culture.</p>	<p>0.1</p> <ul style="list-style-type: none"> ▶ We will work towards eradicating the harmful use of alcohol, consistent with regional challenges. ▶ We will work to develop no- and lower-alcohol products in each category and improve consumer acceptance of these products. 	<ul style="list-style-type: none"> ▶ We will have education programs in place across the Group to address priority misuse issues including binge drinking, which can contribute to the development of noncommunicable diseases, underage drinking, drinking during pregnancy, drunk driving, and violence. Each alcohol business will select and implement programs consistent with regional challenges. Throughout the above processes, we will work in collaboration with the government, medical experts, and NGOs and share best practice within the Kirin Group to make our initiatives more credible and effective. ▶ By utilizing our R&D capabilities, we will enhance the development of no- and lower-alcohol products, which provide a broader choice for consumers. 	<ul style="list-style-type: none"> ▶ Develop and implement our education programs across priority misuse issues in each region by 2018. ▶ Set target to measure the reach of our education programs (e.g., the number of people reached by the programs, the number of educational events held, etc.) in 2019 and beyond. ▶ Expand our portfolio of no- and lower-alcohol products in each category.
			<p><i>By 2020, halve the number of global deaths and injuries from road traffic accidents (Target 3.6)</i></p>				
Health and Well-being	Supporting self-care for healthy people and people with pre-disease		<p><i>By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being (Target 3.4)</i></p>	<p>▶ Today, preventing noncommunicable diseases is an urgent social challenge in many countries around the world. We aim to help consumers manage their health and well-being through the food and beverage products and information we provide, every day.</p>	<p>1.1</p> <ul style="list-style-type: none"> ▶ We will help consumers manage their daily energy (calories/kilojoules) and nutrient intake through providing a balanced portfolio of products and information - helping them address major noncommunicable diseases, including obesity. 	<p>Our food and beverage (F&B) businesses will provide a balanced portfolio of products, with optimized energy and nutrition—without compromising taste and safety. Specifically, each F&B business will commit to some or all of the following, relevant to their local markets' health priorities:</p> <ul style="list-style-type: none"> ▶ to reduce added sugar, salt, and fat; ▶ to increase the availability of sugar-free, and lower-sugar and lower-energy options; ▶ to have smaller pack sizes available across the product portfolio; ▶ to improve the nutrition and product information available to consumers; ▶ to provide consumers with educational advice on achieving a balanced diet and lifestyle; ▶ to enhance R&D efforts to provide an optimal portfolio of products for consumers. 	<ul style="list-style-type: none"> ▶ Specific targets will be developed, aligned to our approach.
			<p><i>Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending (Target 9.5)</i></p>				
	<p><i>Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all (Target 3.8)</i></p>	<p>▶ Along with the overall progress of science, new medical technologies and medicines are being developed, but there are still many patients suffering from diseases that do not yet have a satisfactory treatment. Medical needs that are not being met are becoming increasingly more diversified and highly specialized, and the development of new drugs that respond to such needs is facing more hurdles in terms of technology and cost. In such an environment, however, through state-of-the-art biotechnology we can create new value by offering innovative medicines and expanding indications and dosage forms. With these advancements, we will contribute to people's health and well-being around the world.</p>	<p>1.3</p> <ul style="list-style-type: none"> ▶ We will continuously discover innovative drugs and expand our commercialization activities globally. (Kyowa Hakko Kirin) 	<ul style="list-style-type: none"> ▶ Based on the strengths of R&D and manufacturing technology cultivated through the provision of biopharmaceuticals, we will strengthen our drug discovery format and create drug candidates continuously while effectively utilizing open innovation in each technology field positioned as four drug discovery modalities, i.e., therapeutic antibodies, small molecule drugs, nucleic acid drugs, and regenerative medicine. ▶ Obtain approval and begin sales overseas of globally strategic pharmaceuticals: KRN23 treatment for X-linked hypophosphatemic rickets (XLH), KW-0761 treatment for adult T-cell leukemia-lymphoma and cutaneous lymphoma, and KW-6002 treatment for Parkinson's disease, and aim to be a Global Specialty Pharmaceutical Company. We will proceed with the development of biosimilars and aim to quickly obtain manufacturing and marketing approval and begin sales. 	<ul style="list-style-type: none"> ▶ Quickly begin sales in the European and U.S. markets of KRN23 treatment for X-linked hypophosphatemic rickets (XLH), KW-0761 treatment for adult T-cell leukemia-lymphoma and cutaneous lymphoma, and KW-6002 treatment for Parkinson's disease. 		
<p>Evolution in medical treatment</p>	<p>▶ Limiting the increases in social security spending (healthcare spending) is an important global issue. One of the expected solutions is the increased use of generics and biosimilars. Using the technology we have developed over the years, we will proceed with the development, manufacture, and sales of high-quality antibody biosimilars. Additionally, in the Japanese market, in which biosimilars do not yet have a sufficient presence, we will contribute to improving human health and to limiting healthcare spending by launching “Authorized versions” of our biologics.</p>					<p>1.4</p> <ul style="list-style-type: none"> ▶ By providing inexpensive, high quality biosimilars and “Authorized versions” of biologics, we will contribute to the further use of biomedicines and to solving a global issue, increases in healthcare spending. (Kyowa Hakko Kirin) 	<ul style="list-style-type: none"> ▶ We will proceed with the development of biosimilars and aim to quickly obtain manufacturing and marketing approval and begin sales. ▶ We will establish a new company with the aim of obtaining manufacturing and marketing approval in Japan for an “Authorized version” of NESP®.

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Health and Well-being	Health-oriented business management		By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being (Target 3.4)	<ul style="list-style-type: none"> Employee physical and mental health problems are getting worse due to recent changes in the working environment. As a company that redefines the joy of food and well-being, we will create an environment where our employees can work vigorously and where we can build strong organizational capabilities so that we can create new innovations that deliver new value to our customers. 	<p>1.5</p> <ul style="list-style-type: none"> As a company that delivers products and services contributing to consumer health, we will create an environment and opportunity for our employees to proactively improve their own health. We will address any mental health issues facing our employees and work to prevent lifestyle-related diseases. Also, as a member of the alcohol beverage industry, we will promote responsible drinking that encourages employees to be role models for society. 	<ul style="list-style-type: none"> Working environment: We will build up internal systems to realize a flexible way of working and create an environment where our employees can proactively improve their health. At the same time, we will raise their awareness so that the above initiatives can work more effectively. Mental health, lifestyle-related diseases, and leadership in responsible drinking as a role model: Based on comprehensive information and with the assistance of medical experts, we will educate and instruct our employees in health-related matters. 	<ul style="list-style-type: none"> Build up internal systems and promote activities to realize flexible working styles. Reduce the number of employees who have problems involving mental health issues, lifestyle-related diseases, and inappropriate drinking.
	Safety and security of our products		By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality (Target 2.4)	<ul style="list-style-type: none"> Driven by a number of events threatening food safety including food terrorism, food-related fraud, and food poisoning by norovirus, the interest in product safety and security is growing. We work on ensuring product safety and customer satisfaction as a top priority based on the Kirin Group's quality policy, "Customer-oriented and Quality first." We listen to our customers with sincerity, value our communication with them, and provide information that builds their trust. 	<p>1.6</p> <ul style="list-style-type: none"> We will establish a hygiene management system for the production process based on global standards* and continue to work on improving product safety. Also, we will enhance communication related to quality in order to build trust and increase a sense of security among our customers. <p>*HACCP: Hazard Analysis and Critical Control Point</p>	<ul style="list-style-type: none"> We will build a global hygiene management system for the production process based on HACCP. We will communicate information about our initiatives for ensuring raw material safety, including residual agricultural chemicals and radioactive substances, to our customers. We will communicate product and raw material information that meets customers' expectations by utilizing various touchpoints including company websites, in-store programs, and plant tours. 	<ul style="list-style-type: none"> Set target in 2017 regarding the hygiene management system. Improve customers' sense of security in our product quality and their trust in the Kirin brand through their deep understanding of our products and raw materials.
Community Engagement	Enhancing sustainability of the supply chain		By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment (Target 2.3)	<ul style="list-style-type: none"> Hops are often referred to as the soul of beer, and they provide beer with many distinctive characteristics. However, the harvest of Japanese hops is declining year by year due to the aging of domestic producers. We will build long-term relationships with Japanese hop farmers and work on improving the quality of the harvest by developing better seed varieties. We will also revitalize local communities by cooperating with local stakeholders. By doing so, we will realize the stable procurement of quality Japanese hops, which will enable us to not only continue but expand the distinctive, high-quality brewing that can only be made possible by using Japanese hops. For example, Kirin Ichiban Toretate Hop uses freshly picked Japanese hops, while another one of Kirin's craft beers uses a Japanese hop called "IBUKI," freshly picked and unprocessed. At the same time, we will promote globally the value of distinctive Japanese hops and work to improve their sustainability. 	<p>2.1</p> <ul style="list-style-type: none"> We will work on improving the quality and stable procurement of Japanese hops and brew unique beers that can only be made by using Japanese hops, while contributing to the revitalization of key producing areas. (Kirin Brewery) 	<ul style="list-style-type: none"> We will work on various programs from a long-term perspective to maintain stable harvest volume and realize improved quality of Japanese hops, including developing seed varieties, increasing the attractiveness of hop-producing regions, and increasing the number of new farmers to mitigate such issues as aging and a lack of successors. By developing unique beers, utilizing the characteristics of Japanese hops, and gaining a high reputation, we will enhance the value of Japanese hops and attract many craft beer makers from around the world. 	<ul style="list-style-type: none"> Stop the reduction in harvest volume of Japanese hops. Develop unique products that use Japanese hops. Aim to be highly valued and used by not only Kirin but many brewers around the world. Disclose actual results related to the cooperation between local communities and Kirin.
			By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality (Target 2.4)	<ul style="list-style-type: none"> Sixty percent of the black tea leaves imported into Japan are grown in Sri Lanka, and of those, about 1/3 are used to produce "Kirin Afternoon Tea." As a major importer of black tea leaves, which is one of the main products of Sri Lanka, we will strive for responsible procurement and will support farmers to acquire Rainforest Alliance certification, to help improve the safety and living standards of workers as well as realizing efficient, eco-friendly agriculture that increases harvests. We will support tea farmers in Sri Lanka over the long term in order to ensure that our customers can continue to enjoy "Kirin Afternoon Tea," the most consumed black tea brand in Japan, and that we can use quality tea leaves stably while improving the sustainability of tea-producing areas. 	<p>2.2</p> <ul style="list-style-type: none"> We will support Sri Lankan black tea farmers through long-term initiatives such as facilitating the acquisition of Rainforest Alliance certification, and expand the use of certified tea leaves. (Kirin Beverage) 	<ul style="list-style-type: none"> To guarantee the sustainable procurement of black tea leaves as the key raw material of our products, we will support black tea leaf producers in their acquisition of Rainforest Alliance certification. We will expand the use of Rainforest Alliance-certified tea leaves over the long term. 	<ul style="list-style-type: none"> Expand the number of farms to which assistance in obtaining Rainforest Alliance certification is provided. Expand the use of Rainforest Alliance certified tea leaves.
			By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment (Target 2.3)	<ul style="list-style-type: none"> Japanese wines attract global attention. We will increase the reputation of Japanese wines globally by promoting their quality and by delivering them to more customers through "Chateau Mercian." By doing so, we will be able to improve the quality of domestically grown grapes and expand our vineyards from a long-term perspective. Also, we make efforts to carefully select suitable farming areas and grape varieties to expand our vineyards, where we can contribute to the revitalization of Japanese agriculture and local communities. Several positive effects have come from this pursuit. For example, we have utilized idle land that has been abandoned and nurtured rich ecosystems. 	<p>2.3</p> <ul style="list-style-type: none"> We will drive development of Japanese wines to ensure global recognition, and contribute to revitalizing key producing areas and local communities that are the foundations of growing grapes and making wines. (Mercian) 	<ul style="list-style-type: none"> We will cultivate "Chateau Mercian" into the representative brand of Japanese wines. We will support contracted grape growers from a long-term perspective and strengthen partnerships, improve the quality of grapes from our own farmlands, and thus secure a stable supply of high-quality wine grapes. We will increase the harvest amount of grapes for Japanese wines through the expansion of farmlands over the long term. We will contribute to the motivation of contracted grape growers by developing producing centers based on the selection of suitable farm areas and grape varieties. We will participate in various events that lead to community revitalization. We will contribute to local communities through the development of future industry leaders through collaboration with academia. 	<ul style="list-style-type: none"> Improve evaluation of "Chateau Mercian" and increase its sales volume. Expand the size of vineyards for Japanese wines. Also disclose actual results of various initiatives in contracted farming areas.
			By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment (Target 2.3)	<ul style="list-style-type: none"> Lion seeks long-term sustainable relationships with nearly 400 Australian dairy farmers who supply our business around Australia. We contract 180 dairy farmers directly and 218 farmers through the Dairy Farmers Milk Cooperative (DFMC). We support our Lion dairy farmers to be more sustainable now and in the future. By doing so, we believe that sustainable dairy farmers underpin a sustainable dairy business and ensure high-quality products, happy farmers, and happy cows. 	<p>2.4</p> <ul style="list-style-type: none"> We will continue to develop long-term, sustainable and mutually beneficial partnerships with our dairy farmers that build a profitable demand for dairy and ensure sustainable returns and the creation of value through the supply chain. (Lion) 	<ul style="list-style-type: none"> We offer competitive contracts that recognize local dynamics, offer secure pricing, and provide as much choice as possible. We will offer a range of partnership benefits to our dairy farmers including grants to improve farm efficiency and sustainability, best practice advice, and support. We will clearly communicate our commitment to driving value and profitability back into dairy. Our farmers are united in our passion for promoting the nutritional benefits of dairy, making sure more Australians enjoy quality dairy goodness every day. 	<ul style="list-style-type: none"> Ensure long-term partnerships with our dairy farmers across Australia. Maintain and continue to build strong engagement with our dairy farmers. Roll out the Lion Dairy Pride Program to all our dairy suppliers and ensure completion of the On-line Self Assessment Tool.

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Community Engagement	Regional revitalization through business activities		By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products (Target 8.9)	<ul style="list-style-type: none"> As a result of such social issues as an aging society and excessive urbanization in major cities, regional areas are declining and losing their vitality. Moreover, natural disasters have been occurring more and more frequently, threatening healthy livelihoods in regional communities. In the midst of these events, we will support initiatives for revitalizing regional communities, which form the foundation of our daily lives. Through our businesses, we will work and act together with local stakeholders to resolve the issues that face each region and aspire to be a company and brand that customers are most familiar with. 	<p>2.5</p> <ul style="list-style-type: none"> We will develop products and services that energize local communities, with each of our business sites cooperating with local stakeholders. 	<ul style="list-style-type: none"> Together with various local stakeholders, we will co-create products and services that will energize local customers, and also participate in events that enhance the brand value of local products, expand their sales channels, and revitalize local communities. We will continue to build personal networks with local stakeholders and strengthen partnerships, and also support the development of future leaders in local communities. 	<ul style="list-style-type: none"> Expand products and services created together with local stakeholders. Launch projects that will lead to regional revitalization, including participation in events and the branding of local products. Launch programs that support the development of future community leaders.
The Environment	Reflecting environmental activities in our business strategies		Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries (Target 13.1)	<ul style="list-style-type: none"> Since COP3 was held in 1997, attention has been focused on ways to prevent global warming, and companies have been engaged in sincere efforts to reduce GHG emissions. More recently, in the Paris Agreement concluded at COP21 in 2016, it was confirmed that even greater efforts were required to reduce GHG emissions. Under this guidance, the Kirin Group is working to reduce its impact on global warming resulting from its production activities in its efforts to help prevent global warming. 	<p>3.1</p> <ul style="list-style-type: none"> We will work to further reduce GHG emissions through various initiatives including the introduction of renewable energy. 	<ul style="list-style-type: none"> We will promote the introduction of renewable energy. We will promote energy saving. 	<ul style="list-style-type: none"> Implement initiatives aiming to achieve medium-term GHG reduction targets based on the SBT (Science Based Targets) approach. Increase the proportion of renewable energy (set target in 2017).
			By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity (Target 6.4)	<ul style="list-style-type: none"> Issues related to water resources differ significantly depending on the country, region, or year. However, for us as a provider of beverages, taking initiatives to address water resource conservation is extremely important. At the Kirin Group, we will continue to work on water-saving measures, study risks related to the water resources of each area, and promote appropriate water usage. 	<p>3.2</p> <ul style="list-style-type: none"> We will reduce water usage in production activities, and continuously preserve water sources. 	<ul style="list-style-type: none"> We will promote water saving at our plants. We will investigate major hydrographic vulnerability at our production sites. We will continue to conserve water source areas. 	<ul style="list-style-type: none"> Reduce water usage (30% less in 2030 than in 2015). (Kyowa Hakkō Kirin) Continue conservation of water source areas including reforestation activities.
			By 2030, ensure the conservation of mountain ecosystems, including their biodiversity, in order to enhance their capacity to provide benefits that are essential for sustainable development (Target 15.4)	<ul style="list-style-type: none"> There is a global need for environment-friendly and sustainable agriculture. In Japan, meanwhile, woodlands are being lost and farmland is being abandoned due to the aging of farmers, and there is a real concern that such ecosystems are being affected. At the Kirin Group, we will go beyond country borders and work to protect the natural environment and biological diversity in production areas through our support of raw material production areas and by working together with producers. 	<p>3.3</p> <ul style="list-style-type: none"> We will protect the natural environment and preserve the ecosystems surrounding our business sites as well as areas rich in raw materials. 	<ul style="list-style-type: none"> We will support black tea producers in Sri Lanka to acquire Rainforest Alliance certification. (Kirin Beverage) We will restore rare/native animals and plants at the Mariko Vineyard. (Mercian) We will improve the environment at the Tono hops farms and the surrounding areas, and enrich the environment's ecosystem. (Kirin Brewery) 	<ul style="list-style-type: none"> Improve the sustainability of farms in Sri Lanka. Secure biodiversity in Japan's agricultural areas.
			By 2030, achieve the sustainable management and efficient use of natural resources (Target 12.2) By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment (Target 12.4)	<ul style="list-style-type: none"> The focus on issues surrounding containers and packaging has changed over time, owing to historical context and social conditions, beginning with littering problems to the demand for recyclability and weight reduction. Today, the current focus regarding containers and packaging is on the sustainability of the raw materials themselves. The Kirin Group promotes various initiatives to improve the recyclability of containers and packaging, advocating its values to society as a whole while working to improve the sustainability of raw materials for containers and packaging. 	<p>3.4</p> <ul style="list-style-type: none"> We will continue to reduce the weight of containers and packaging, and rely less on non-renewable resources and increase the sustainability of materials. 	<ul style="list-style-type: none"> We will expand the use of recycled/sustainable materials, i.e., recycled PET, bioplastics, Forest Stewardship Council (FSC)-certified paper. We will introduce Life Cycle Assessment (LCA) for selecting container raw materials at an early stage of container/product development. (Lion) 	<ul style="list-style-type: none"> Maintain and expand the bottle-to-bottle initiative (use of 100% recycled PET for certain products). Study and promote the use of bioplastics. Maintain and expand the use of FSC-certified paper for primary and secondary containers. Increase the use of recyclable container raw materials: >90% by 2030. (Lion) Increase the use of recycled packaging raw materials: >50% by 2030. (Lion)

[June 8, 2017 update]