

KIRIN



よろこびが
つなぐ世界へ

Joy brings us together



Kirin's CSV and Nature Positive Farming at Vineyards in Japan

PRI in Person
Tokyo

[Opening Movie from Mariko Winery](#)

September 29, 2023
Kirin Holdings Company, Limited

- On October 3, Mr. Mizouchi will speak at the side event on natural capital, biodiversity, and TNFD organized by Resona Asset Management.

- On October 5, Mr. Mizouchi will speak at the main session on the agenda "TNFD reporting: how to get started on nature-related disclosure."

How can Financial Institutions Contribute to Realizing a Nature Positive Economy? - Implementation of TNFD's Final Set of Disclosure Recommendations (v1.0)

3 October | 09:00-11:00 JST

The Global Biodiversity Framework was adopted during CBD COP15 in 2022. TNFD will publish its final set of disclosure recommendations in September.

This session will discuss what actions financial institutions should take under the momentum, including nature-related financial disclosure in accordance with the TNFD recommendations.

[FIND OUT MORE](#)

How can Financial Institutions Contribute to Realizing a Na...

5A: Getting started with TNFD: responding to nature-related risks and opportunities

Climate change and biodiversity loss represent interconnected, systemic risks for investors. Investors have an important role to play in addressing these twin crises and supporting a sustainable future. This session will explore the TNFD framework, the importance of nature-related disclosure, and how investors can get started on their reporting this year.

Herry Cho, Managing Director, Head of Sustainability and Sustainable Finance, Singapore Exchange
Snorre Gjerde, Lead Investment Stewardship Manager, Norges Bank Investment Management
Makoto Haraguchi, TNFD dedicated SVP, MS&AD Insurance Group Holdings

Hirota Hideshima, Counsellor on Global Strategy and TNFD Taskforce member, The Norinchukin Bank
Ryosuke Mizouchi, Senior Executive Officer, Creating Shared Value, Kirin Holdings

Moderator:

Tony Goldner, Executive Director, Taskforce on Nature-related Financial Disclosures (TNFD)

❑ Best Vineyard in Asia

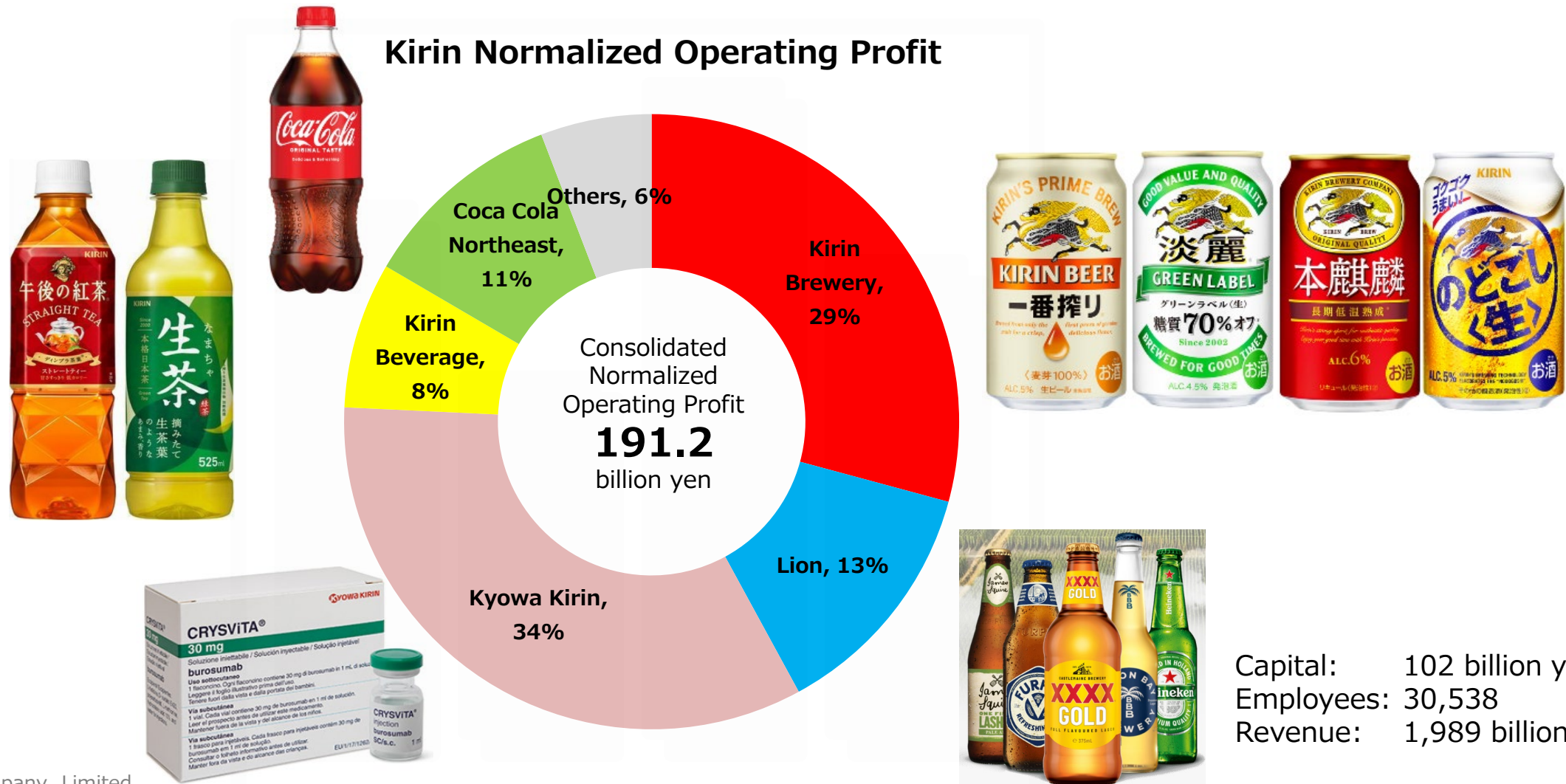


❑ On October 4, Our Brand “**Château Mercian**” will be served at a reception at the International Pavilion Pamir at the Grand Prince Hotel Shin-Takanawa!

Name
Japanese Sparkling Wine AWA
Chateau Mercian Hokushin Chardonnay
Chateau Mercian Mariko Merlot



- Kirin is a beverage, pharmaceutical, and health science group company with net sales revenue of about \$14 billion and normalized operating profit of \$1.4 billion.



Capital: 102 billion yen
 Employees: 30,538
 Revenue: 1,989 billion yen

- The Kirin Group is aiming to become a global leader in CSV by pursuing 4 purposes: “health and well-being”, “community engagement”, “the environment” and “a responsible alcohol producer”.



- Kirin started applying its advanced technologies of culturing, propagation, and fermentation for the benefit of people's health around 1980, and became the only alcoholic beverage company which organically succeeded in the pharmaceutical business.

Erythropoietin (EPO): The First Bio-Drug by Kirin-Amgen JV, introduced in 1990



Roller Bottle System Developed by Kirin to scale-up EPO Production



Remark by Mr. Gordon Binder, Former CEO of AMGEN, about Kirin



Source: AMGEN® homepage

“We had much in common, such as fermentation know-how. Kirin also understood the importance of R&D. It was probably the only beer maker in the world to boast a bona fide science-based R&D department. To most beer manufacturers, brewing was an art.”

Source: Gordon Binder and Philip Bashe, “Science Lessons”, Harvard Business Press, 2008, P.129

- Mercian started converting derelict mulberry farmlands into vineyards in Nagano Prefecture, Japan in 2003, in order to sustain the agricultural industry and the local community as well as to secure quality wine grapes.

Mariko Before



Mariko Today



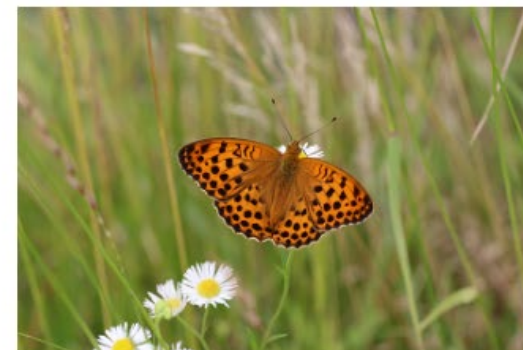
- When Kirin conducted a joint survey at Mariko Vineyard in 2014 with Japan's National Agriculture and Food Research Organization (NARO) to study the impact on the ecosystem of developing vineyards, we found many endangered species of grasslands which had become rare in the surrounding area.



Zygaena nippona: Near threatened species on the Ministry of the Environment Red List and the Nagano Red List



Saphora flavescens: The only edible feeding grass for *Shijimiaeoides divinus*, a butterfly listed as critically endangered on the Ministry of the Environment Red List IA (designated as endangered in the Nagano Red List IB)



Argyronome laodice japonica: Vulnerable species on the Ministry of the Environment Red List II and near threatened species on the Nagano Red List



Hemerocallis citrine var. vespertine: Near threatened species on the Nagano Red List



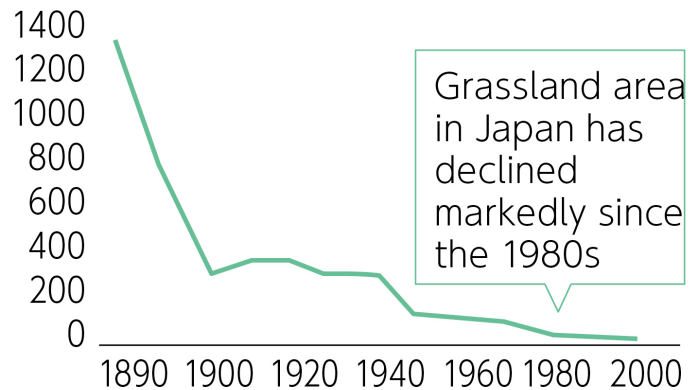
Leonurus japonicus: Near threatened species on the Nagano Red List



Vincetoxicum pycnostelma: Near threatened species on the Ministry of the Environment Red List and the Nagano Red List

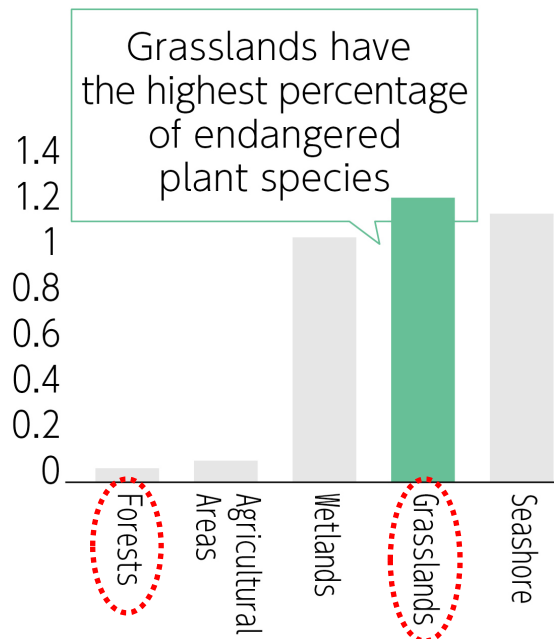
- In Japan, grasslands had been in sharp decline, which caused a loss of biodiversity in grasslands.
- Since hedgerow farming of wine grapes in Japan creates quality grassland underneath when properly managed, we developed a hypothesis that the restoration of grasslands would facilitate the recovery of species in the grasslands.

Trends in grassland area in Japan



Aggregated from Successive-Year Forest Area Statistics and MAFF Statistical Tables

Number of endangered species by unit area



Endangered plant species per hectare
Source: Western Japan Grasslands Research Group (2007)

Château Mercian Mariko Vineyard



- In 2018 and 2019, Kirin and NARO conducted the same survey at another existing hedgerow vineyard in Jyonohira, Yamanashi Prefecture, and again found many endangered species of grasslands.

Careful Mowing at Château Mercian Jyonohira Vineyard



Samples of Endangered Species Found at Jyonohira Vineyard

*Platycodon grandiflorus*

Vulnerable species on the Ministry of the Environment's Red List and near threatened on the Yamanashi Red List (NT)

*Cephalanthera erecta*

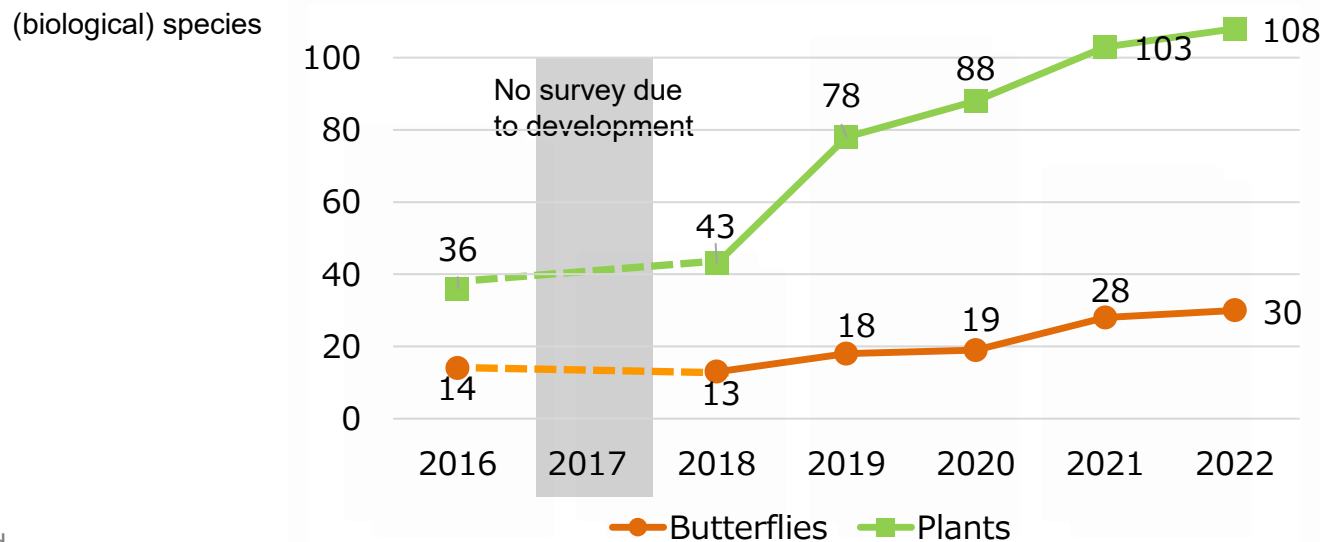
Vulnerable species both the Ministry of the Environment's Red List and the Yamanashi Red List (VU)

- In 2016, we started a unique biological tracking survey at a site in Tengusawa, Yamanashi Prefecture where we planned to develop a vineyard, and continued to monitor the biodiversity basically every year. We confirmed that the numbers of species has recovered in the process of converting a wasteland into a vineyard.

Château Mercian Tengusawa Vineyard



Recovery of Ecosystem at Château Mercian Tengusawa Vineyard



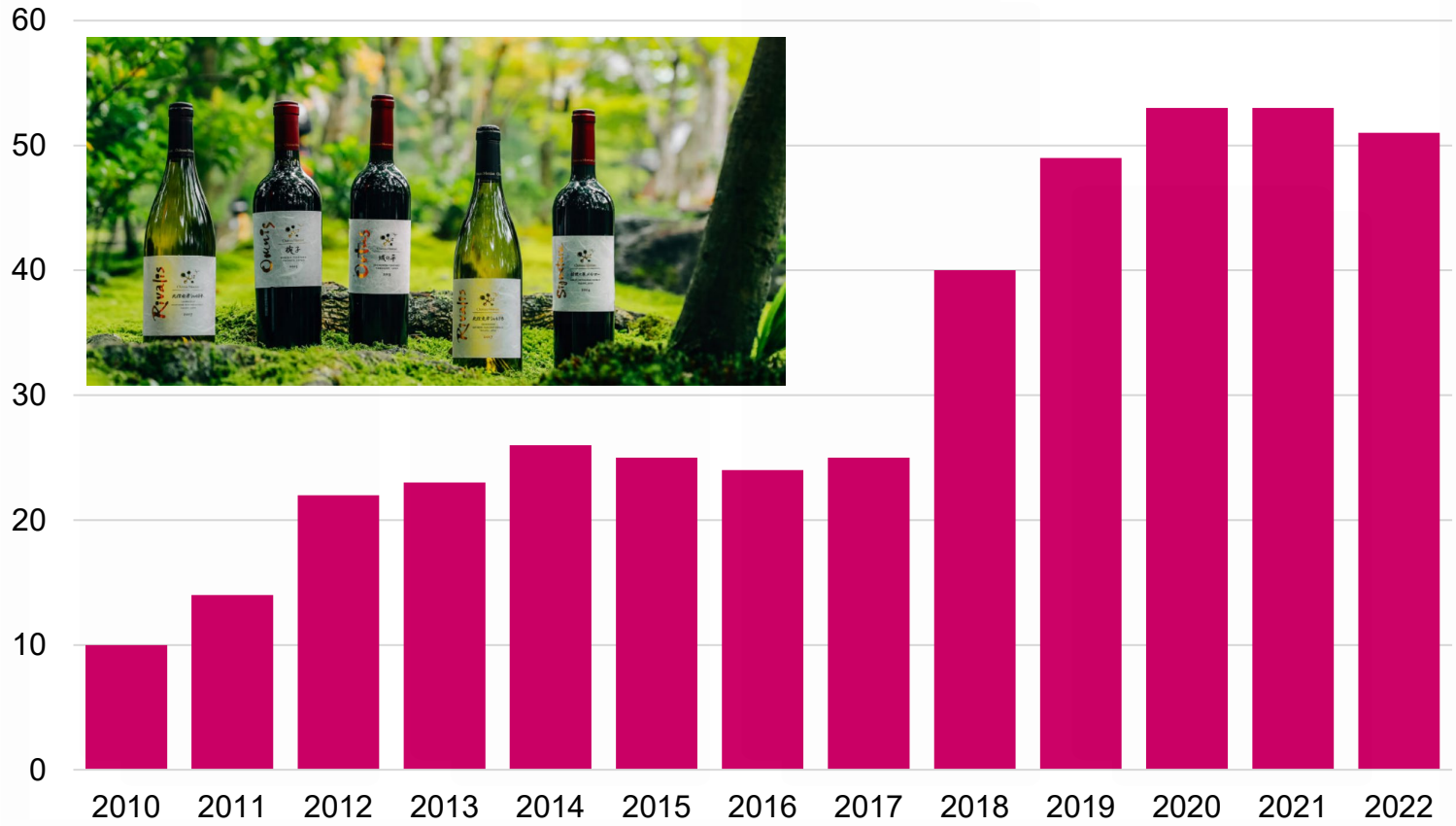
COP15 Science Policy Forum



Photo : JBA Nature Conservation Conference News Letter No.92, 2023 Winter

- Our expansion of hedgerow vineyards to meet the growing demand for Château Mercian wines not only revitalizes the local community but also increases quality grasslands, which lead to the restoration of biodiversity.

Château Mercian Sales Volume (1,000 cases)





- We are the first in the Japanese food industry to be certified for SBT2°C and 1.5°C, and first to be certified for SBT Net Zero in the world food industry. Kirin joins the RE100 and pledges to use 100% renewable electricity by 2040.
- Kirin has been named as an 'A list' company by CDP for both climate change water security since 2019.



Global Trends

- Paris Agreement (2015)
- IPCC 1.5°C Report (2018)
- IPCC 6th periodic report (2021-2022)

Kirin Group's response

★ **SBT2°C certified**
(2017)

Reduce by 30% by 2030 compared to 2015

★ **SBT1.5°C certified**
(2020)

Reduce Scope 1 and Scope 2 by 50% and Scope 3 by 30% by 2030 vs 2019



★ **SBT Net Zero certified**
(2022)

- Reduce Scope 1, Scope 2, and Scope 3 by 90% or more by 2050.
- Remaining 10% is to remove carbon from the atmosphere

★ **RE100** (2020) Shift to renewable energy 100% by 2040



- Kirin has received high marks from Japanese asset management institutions for its TCFD disclosures.

March 24, 2023



Government Pension Investment Fund

Excellent TCFD Disclosure Selected by GPIF's Asset Managers Entrusted with Domestic Equity Investment

Government Pension Investment Fund (GPIF) requested its 13 external asset managers entrusted with domestic equity investment (hereinafter, "external asset managers") to nominate "excellent TCFD disclosure."

GPIF requested external asset managers to nominate up to five companies that provided "excellent TCFD disclosure," and also to each nominate up to three companies that provided "excellent disclosure of (1) governance, (2) strategy, (3) risk management, and (4) metrics and targets," respectively.

As a result, 28 companies listed below were nominated for providing "excellent TCFD disclosure." Among them, the following companies were highly evaluated by many respondents as publishers of "excellent TCFD disclosure."

[Companies nominated by four or more external asset managers for their excellent TCFD disclosure] (number of external asset managers)

- ◇ Kirin Holdings Company, Limited (10)
- ◇ Hitachi, Ltd. (7)
- ◇ RICOH COMPANY, LTD. (5)
- ◇ ITOCHU Corporation (4)

Source:

https://www.gpif.go.jp/en/investment/202303_excellent_TCFD_disclosure_en.pdf

- Kirin Group's disclosure in accordance with the beta version of the TNFD's framework was recognized as one of the world leading example by TNFD.



Source: Financial Times on Web, March 31, 2023
<https://www.ft.com/content/66fa93fa-2766-4eff-8bba-d528fdcc410b>



Take nothing for granted: Japanese drinks company Kirin carried out a TNFD assessment of water-related risks © Kirin

GT: Can you name any companies?

DC: Hot off the press: UBS published the first report at a very high level, including TCFD and TNFD reference (Kirin, the Japanese beverage company, did a full TNFD assessment looking at their exposure to water, in particular, in other parts of the world. Axa have also started to use TNFD. And many others too. So people are actually building it into their vocabulary and starting to get their head around how to think about it.

- We integrate the beta version of the TNFD into the TCFD framework, and holistically disclose our environmental management in Kirin Environmental Report 2023 as we believe the climate and nature are mutually related.
- Kirin presents its TNFD disclosure and biodiversity restoration strategy at a session of PRI in Person on October 5th.

Kirin Environmental Report 2023



Please see Kirin Environmental Report 2023
[Environmental Report 2023 \(kirinholdings.com\)](https://kirinholdings.com)

PRI in Person Program on October 5th, Thursday

	Monday, 2 October	Tuesday, 3 October	Wednesday, 4 October	Thursday, 5 October
08:00 - 09:15	Refreshments and networking in the exhibition hall			
07:45 - 11:00	Asset owner breakfast meeting			
09:15 - 10:15	4A: Collaborative engagement in a rapidly warming world: implementing phase 2 of CA100+ This session will take stock of the progress made.	4B: Sustainability outcomes in practice: the SDGs and beyond This session will give participants an opportunity to learn and reflect on the status of ESG.	4C: Academic Network Conference: Governance and Incentives This session will present the following papers:	
	4D: Labelled bonds and loans: do they do what they say on the tin? This session will explore the extent to which	4E: Managing human rights issues in the value chain With growing policy requirement for forced labour		
10:15 - 11:00	Refreshments and networking in the exhibition hall			
11:00 - 12:00	5A: TNFD reporting: how to get started on nature related disclosure Climate change and biodiversity loss represent interconnected, systemic risks for investment.	5B: Corporate governance and investor stewardship in Asia Pacific George Iguchi, Chief Corporate Governance Officer and Executive Director, Money Asset Management	5C: Academic Network Conference: Towards system-level investing This session will present the following papers:	
	5D: ESG and financial analysis in alternatives: what allocators and LPs need to know, and managers need to communicate This session will take the audience through	5E: Table discussions: investing with sustainability outcomes This informal, interactive session will give delegates the chance to meet and share experiences of	5F: Leveraging stewardship opportunities in private markets Drawing on recent work by the PRI, this session will address misconceptions around what stewardship	

Please join “5A: TNFD reporting: how to get started on nature related disclosure”
[PRI in Person 2023 - Agenda \(unpri.org\)](https://unpri.org)



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