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## Reducing Emissions and Costs Through New Solar Panels via the PPA Model

Win-win environmental partnership at four breweries begins February 2021

**TOKYO, Thursday November 26, 2020** - Kirin Brewery Company, Limited (Kirin Brewery), a subsidiary of Kirin Holdings Company, Limited (Kirin Holdings), announced that it will start to use solar power under a PPA<sup>\*1</sup> model at its Sendai, Nagoya, Shiga, and Kobe breweries from February 2021 as a part of the efforts to promote the use of renewable energy. Along with reducing total GHG<sup>\*2</sup> emissions by 4,500t per year, the ratio of renewable energy used by Kirin Brewery companywide will increase from 18% to 22%. Going forward, the Kirin Group will continue to promote the use of renewable energy at its group companies under the goal of using renewable energy for all operations within the group and achieve RE100<sup>\*3</sup> as early as possible.

\*1: PPA: Power Purchase Agreement. PPA model is a business model through which the PPA supplier installs solar power generation equipment on the end user's premises or facility rooftop free of charge, and the power generated is then sold to the end user.

\*2: Greenhouse gases

\*3: RE100 is an international initiative for the environment that is made up of companies aiming to achieve 100% renewable energy use. The Kirin Group joined the RE100 initiative in November of this year and has set forth the goal of shifting to 100% renewable energy use by 2040.

### ● Reducing Emissions and Costs – a Win-Win

Under the PPA model to commence next year, the supplier will be MCKB Energy Service Co., Ltd., a subsidiary of Mitsubishi Corporation Power Ltd. (MC Power). MCKB will install a megawatt-class solar power system will be installed on the rooftops at each of the four breweries, and Kirin Brewery will purchase and use the generated electrical power. This business model eliminates the capital necessary to install the systems on a wide scale while quickly reducing GHG. The Kirin Group has collaborated with MC Power before to advance a variety of initiatives directed at reducing GHG emissions, such as converting from heavy fuel oil to gas. The current project is a new initiative within the existing partnership between the two companies. In addition, this project will be implemented under Japan's Ministry of the Environment's *Subsidy for shifting to a carbon-free society based on supply chain transformation and investments at production sites in Japan*.

(<https://www.env.go.jp/press/108156.html>)

In Japan, solar power is already being used at visitor area at Kirin Brewery and Kirin Beverage Company, Limited. Outside of Japan, Lion Pty Ltd [installed and began using a solar power system in 2019](#). Through these initiatives as well as the new PPA initiative, Kirin Holdings will contribute to establishing a carbon-free society by increasing the ratio of renewable energy used and further accelerating the introduction of renewable energy at the business locations.

**Solar power generation to be implemented under a PPA model at the below four factories:**



Kirin Brewery Sendai



Kirin Brewery Nagoya



Kirin Brewery Shiga



Kirin Brewery Kobe

## ● Other Environmental Commitments

In 2017, Kirin Holdings set the lofty goal of reducing the sum of Scope 1 and Scope 2 of the Group by 30% by 2030 compared to 2015 levels and Scope 3 by 30% as well, and in 2017, these goals were approved by the *Science-based Targets (SBT)*<sup>\*4</sup> *Initiative (SBTI)*<sup>\*5</sup>. In addition, in 2018, Kirin Holdings became the first Japanese food company to endorse the *Climate-Related Financial Information Disclosure Task Force (TCFD)*<sup>\*6</sup> recommendations, and Kirin Holdings is actively engaged in scenario analysis and other information disclosure.

\*4: Greenhouse gas emission reduction targets set by companies for five to 15 years in the future, consistent with the levels required by the Paris Agreement (which aims to limit the global temperature increase to well below 2 degrees Celsius above pre-industrial levels and to limit it to 1.5 degrees Celsius).

\*5: An initiative established in 2015 by the CDP, the United Nations Global Compact, the World Resources Institute and WWF.  
<https://sciencebasedtargets.org>

For reference: <https://www.kirinholdings.co.jp/english/csv/env/climatechange.html>

\*6 : Or “Task Force on Climate-related Financial Disclosures” <https://www.fsb-tcfd.org>

## ● Other Environmental Initiatives

Along with conducting far-reaching energy conservation activities, the Kirin Group is promoting initiatives to reduce GHG emissions throughout the value chain, including installing highly-efficient heat pumps, reducing the weight of containers, promoting joint deliveries of products, and switching from traditional energy sources to renewable energies. This includes increasing the use of renewable energies such as solar power, wind power, hydroelectric power and electric power generation using biogas from wastewater treatment processes. Outside of Japan, Lion Pty Ltd, a Kirin Group company, acquired Australasia's [first large-scale carbon neutral certification in May 2020](#).

Furthermore, in June of this year, the Kirin Group signed the United Nations Global Compact's *Business ambition for 1.5°C*<sup>\*7</sup>. This is a declaration of its commitment to revise upward its mid-term GHG reduction targets to achieve net zero GHG emissions in the long term. Kirin Holdings plans to obtain SBTi's approval for this new target during 2020.

\*7: <https://www.unglobalcompact.org/take-action/events/climate-action-summit-2019/business-ambition>

## ● Zero GHG by 2050

In February 2020, the Kirin Group announced the [Kirin Group Environmental Vision 2050](#) aimed at strengthening the resilience of the group and the global community. In the area of climate change, the Kirin Group will aim to achieve net zero GHG emissions throughout the entire value chain by 2050. In addition, the Kirin Group recently joined the [RE100 Initiative](#) in November and will aim to achieve 100% renewable energy use by 2040. The current initiative is one step forward in achieving this goal, and through further initiatives such as this, the Kirin Group will lead the way toward the establishment of a carbon-free society.

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