

Asahi Group Statement under the UK Modern Slavery Act 2015 in respect to Fiscal 2017

Asahi Group Holdings, Ltd. hereby releases this statement under Section 54(1) of the UK Modern Slavery Act 2015 for the fiscal year 2017 after obtaining approval of the Board of Directors of Asahi Group Holdings, Ltd.

1. Business and Supply Chain

Under the group-wide corporate philosophy of “The Asahi Group aims to satisfy its customers with the highest levels of quality and integrity, while contributing to the promotion of healthy living and the enrichment of society worldwide”, the Asahi Group conducts business activities in the “Alcoholic Beverages”, “Soft Drinks” and “Foods” segments and the “International Operations” of such segments, under the command of Asahi Group Holdings, Ltd., a pure holding company.

The Asahi Group consists of over 160 companies worldwide including consolidated subsidiaries and affiliated companies mainly located in Japan. The Asahi Group employs more than 30,000 employees (as of 31 December 2017), including employees of Asahi Breweries, Ltd., Asahi Europe Ltd, Asahi UK Ltd and Asahi Breweries Europe Ltd, which have their business bases in the U.K.

For more information on the Asahi Group, please visit the following website:
<http://www.asahigroup-holdings.com/en/whoweare/>

The Asahi Group considers suppliers in its supply chains as partners towards realization of our corporate philosophy. The Asahi Group is committed to establishing a strong relationship of trust and long-term relationship of cooperation with its suppliers, promoting initiatives for the environment and social responsibilities and developing a relationship that drives growth.

2. Policy on Human Rights

The Asahi Group has established the Asahi Group’s Corporate Action Guidelines based on its corporate philosophy and operates on the principle of winning customers’ trust through corporate behavior that is based on respect for sound and fair corporate ethics, having a global vision and striving to follow international standards for corporate behavior. To ensure that those guidelines are implemented consistently across the Asahi Group, it has also established the Asahi Group Corporate Ethics Regulations and the Asahi Group Corporate Ethics Guidelines.

Regarding human rights, the Asahi Group Corporate Ethics Guidelines provide a clause on respect for human rights to uphold the principle of Respecting Human Rights and Diversity. The clause is based on international standards, such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, ILO Declarations and the ILO International Labour Standards. In addition, the Asahi Group Corporate Ethics Guidelines include a declaration that the Asahi Group will under no circumstances engage in child labor, forced labor, or other human rights violations as stipulated in the ILO International Labour Standards. The Asahi Group acts and will

continue to act by reference to the OECD Guidelines for Multinational Enterprises, the Children's Rights and Business Principles and ISO26000.

In line with the Asahi Group Corporate Ethics Guidelines, Group Key HR principles applicable within the Asahi Group have also been established. In those principles as well, with regard to human rights, it is clearly stated that every Asahi Group employee's character, individuality and rights are to be respected.

In regards to supply chains, the Asahi Group has established the Asahi Group Basic Procurement Policies to meet all applicable laws and regulations and social norms and ensure thorough compliance with the principle of conducting activities with high ethical standards. Furthermore, the Asahi Group has established the CSR Principles for Asahi Group Suppliers requiring its business partners to ensure that their working environments are safe and sanitary, eliminate forced labor as well as discrimination and to effectively abolish child labor.

Additionally, the Asahi Group supports the United Nations Global Compact. In regards to human rights, the Compact states that "Businesses should support and respect the protection of internationally proclaimed human rights" and "make sure that they are not complicit in human rights abuses." The Asahi Group signed the Compact in June 2002 and is committed to comply with it.

3. Due Diligence

To ensure appropriateness of business activities within the Asahi Group, it has developed compliance and risk control frameworks and other internal control systems for all companies within the entire Asahi Group, for which the Representative Directors have ultimate responsibility. The state of operation of these internal control systems is ascertained and evaluated through direct or indirect audits in the group companies. Effects of modern slavery and other risks on human rights will be evaluated under the systems.

The Asahi Group starts transactions with a new supplier after entering into a business contract with it based on the spirit of the CSR Principles for Asahi Group Suppliers. The Asahi Group is putting effort into realizing the CSR Principles for Asahi Group Suppliers, and considers that such realization will lead to the prevention of modern slavery in its supply chains.

4. Evaluation and Control of Risks

At the Asahi Group, risks are evaluated and controlled by the Risk Management Committee established in accordance with the Asahi Group Risk Management Regulations, which are risk control standards given top priority within the internal control systems of the Asahi Group. This Committee consists of the directors, the general manager of the General Affairs and Legal Affairs Section and other persons who were appointed separately by the Committee. Modern slavery and other risks to human rights will be evaluated and controlled under this framework.

Additionally, in accordance with the Basic Policies for Establishing an Internal Control System that were formulated by the Board of Directors, the Asahi Group has established the Clean Line System in

Japan, which is an internal reporting system for employees that enables them to blow the whistle on illicit behavior. By keeping in place the Clean Line System, the Asahi Group detects and resolves risk problems early, and effectively prevents risk problems themselves from occurring. The Asahi Group Corporate Ethics Regulations guarantee confidentiality in relation to notifications made and stipulate that persons making a notification will not be treated in a detrimental manner.

In 2017, Asahi Group Holdings, Ltd. conducted theoretical analysis of modern slavery risk in 17 countries where its manufacturing plants are located, covering 11 of the key raw ingredients it procures. The results of this analysis will be disclosed on the Asahi Group website. Asahi Group Holdings, Ltd. will use the modern slavery risk map resulting from this theoretical analysis as the basis for evaluating and prioritizing modern slavery risks in 2018 and thereafter.

With its zero tolerance policy for modern slavery, the Asahi Group will continue enhancing measures to evaluate and control risks to human rights including modern slavery within the Asahi Group and its supply chains in order to realize a society without modern slavery.

5. Monitoring and KPIs

The main human rights-related monitoring conducted by the Asahi Group for fiscal 2017, and the results of that monitoring, are detailed below.

Asahi Group

- An anonymous survey on compliance was conducted for approximately 13,600 corporate officers and employees in Japan in October 2017. The result was reported to the Board of Directors of Asahi Group Holdings, Ltd.
- The Asahi Group has established a reporting and response system for consultation related to human rights issues at each group company, which includes a consultation service section in each Human Resources department as well as the General Affairs department at business units to deal with such issues in Japan.

In the course of monitoring the situation within the Asahi Group, no information was received concerning any issue of modern slavery during 2017.

Supply Chain

- Supplier assessment for 103 key suppliers in Japan out of approximately 900 suppliers that supply to group companies in Japan, accounting for 73% of purchase value within Japan was conducted in January 2017.
- Interviews via on-site visits were conducted to 13 suppliers in Japan to confirm results of Supplier CSR Surveys during April to July 2017.

In the course of monitoring the situation among the Asahi Group's suppliers, no information was received concerning any issue of child labor or forced labor during 2017.

6. Education and Training

The main education and training implemented by the Asahi Group during 2017 that included content relating to human rights is detailed below.

Asahi Group

- The Asahi Group has conducted training in order to enhance awareness about compliance. In Japan, the Asahi Group conducted training for new employees so that they are familiar with and fully comply with the Asahi Group Corporate Ethics Regulations and the Asahi Group Corporate Ethics Guidelines.
- Various events that occurred within and outside of the Asahi Group were shared as risk information via internal documents or other means in Japan. This information was provided as required to various people, including new employees, people in charge of promoting compliance, and executives.
- The Asahi Group held group-wide procurement meetings attended by the heads of Procurement sections at each group company to disseminate, and ensure full compliance with, the Asahi Group Basic Procurement Policies and the CSR Principles for Asahi Group Suppliers.

Supply Chain

- The Asahi Group made the Asahi Group Procurement Policy Presentation to 108 suppliers of raw materials and ingredients who supply to the three main group companies in Japan in December, 2017. The Asahi Group is seeking to raise awareness amongst the suppliers and facilitate their understanding of the CSR Principles for Asahi Group Suppliers.

This statement detailed above has been approved by the Board of Directors of Asahi Group Holdings, Ltd. on 8 May 2018 in the presence of the signer of this statement.

In addition, Asahi Breweries, Ltd., the Asahi Europe Ltd Group and the Asahi Breweries Europe Ltd Group are subsidiaries belonging to the Asahi Group that are responsible for announcing statements under the UK Modern Slavery Act 2015. These subsidiaries will approve this statement and take procedures at their board of directors to announce their statements based on the Act.

8 May 2018



Akiyoshi Koji
President and Representative Director, CEO
Asahi Group Holdings, Ltd.