

Supplier CSR Questionnaire Results (2015, 2016)

Based on the [Asahi Group Basic Procurement Policies](#), we strive to engage in procurement activities that are friendly to the global environment and local communities together with our suppliers. In 2015 and 2016, we conducted a Supplier CSR Survey to find out about the CSR initiatives taken by our suppliers and carried out initiatives to address the issues.

Where a supplier is found to have a problem as a result of the Supplier CSR Survey, we work together with the supplier to address the issue. We believe that this way of responding to an issue is more effective for the fundamental solution of issues in society than cutting ties with the supplier or terminating the contract with it immediately. Based on this belief, we engage in a series of activities including the Supplier CSR Survey, which are aimed at further ensuring strong relationships of trust and long-term cooperative relationships with suppliers.

Overview of Supplier CSR Survey

Target

2015: Suppliers for Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Calpis Co., Ltd.*

* Asahi Group's domestic soft drinks business was amalgamated with Asahi Soft Drinks Co., Ltd. in January 2016, therefore the suppliers of Calpis Co., Ltd. at the time of the survey are now suppliers to Asahi Soft Drinks Co., Ltd.

2016: Suppliers for Asahi Group Foods Co., Ltd.

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Responses

		2015	2016	Total
Primary Suppliers	Requests	229	31	260
	Responses	219	31	250
	Response rate	96%	100%	96%
Secondary Suppliers*	Responses	82 (Japan 48, overseas 34)	1 (Japan)	83

*Surveys of secondary suppliers were conducted on a voluntary basis via primary suppliers

Results

Social Responsibility

We received the following responses regarding social responsibility.

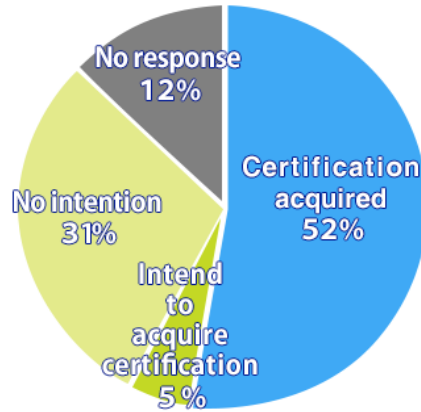
Questions and Responses

Name of section	Yes(%)
1. We have the policies, rules and/or their equivalents on the corporate ethics.	92%
2. We train our staff to keep the regulations and the corporate ethics/policies/rules.	91%
3. We have received any notice of noncompliance and/or punishment of governmental organization for the past three years.	8%
4. We have the Corporate Communication and/or Social Responsibility Division to correspond with complaints and/or feedback from the public, and also the system which enables rapid correspondence.	87%
5. We continually offer the accurate and appropriate information on our company and products to the consumers.	84%
6. At our domestic and international workplaces and those of our cooperative companies, we take actions to provide safer and more hygienic work environment.	90%
7. At our domestic and international workplaces and those of our cooperative companies, we abolish discrimination regarding gender, handicapped people, and race, and pay our attention to people who have socially weaker positions.	85%
8. At our domestic and international workplaces and those of our cooperative companies, we take actions not to have child labor and forced labors.	83%
9. We aim for the coexistence with the society, therefore we have the policies and/or actions to support the society.	79%
10. We have the rule to prohibit a bribe to the domestic and international public officials, and ask our staff to keep it.	75%
11. We have the rule to prohibit collusion, and ask our staff to keep it.	71%
12. We have joined some international charters, and have sworn publicly. (e.g. UN Global Compact, etc.)	15%

Environmental Consideration

We received the following responses regarding acquisition of environmental management certification, environmental preservation policies and management systems and initiatives. These show that over half are certified. Regarding such initiatives, we obtained information on target setting, implementation plans, and results management; the level of disclosure of this information and, where applicable, the URL for information disclosed online. Through this, it is possible for us to monitor the targets, plans and results of suppliers who disclose environment-related information.

Status on the Acquisition of Certification for the Environmental Management System



■ Establishment of Environmental Protection Policies and Management



Questions and Responses

■ Initiatives for Environmental Protection

Proportion of suppliers who indicated whether they have introduced and implement: target setting, implementation plans, results management; and the level of disclosure of this information.

	(1) Target setting	(2) Implementation plans	(3) Results management	Disclosure of (1)-(3)
Energy-Saving	55%	54%	61%	27%
Waste reduction	48%	47%	63%	26%
CO ₂ reduction	46%	46%	54%	27%
Water discharge	41%	37%	52%	19%
Water reduction	32%	31%	58%	19%
Environmental burden from logistics	29%	28%	32%	16%
Use of renewable energy	14%	14%	25%	11%
Conservation of biodiversity	13%	13%	13%	11%
Water source conservation	7%	7%	9%	4%

Ingredients and Materials

We confirmed with each supplier regarding ingredients and materials they supplied to the Asahi Group that prohibited substances were not contained, or used in manufacturing processes, for each of the items. Also, we received responses regarding reduction of resource use, recycling, and proposal of environmentally friendly goods.

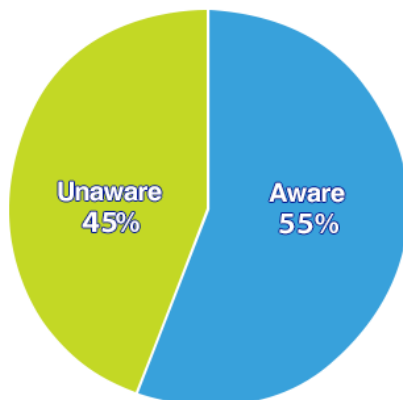
Questions

1. Regarding Materials Used in Manufacturing Processes	1. Use of prohibited substances specified by the Industrial Safety and Health Act
	2. Setting and implementing a plan to reduce use of PRTR designated substances
	3. Setting and implementing a plan to reduce VOC emissions
2. Ingredients and Materials	1. Presence of substances prohibited in products as specified by the Food Sanitation Act (including ingredients or containers that come into direct contact with food)
	2. Implementation of product assessment (LCA)
	3. Striving for reduced resource and material use in development, design, and manufacturing.
	4. Striving to reduce weight of packaging
	5. Promotion of recycling of packaging for ingredients and materials
	6. Potential to propose environmentally friendly ingredients and materials

Secondary Suppliers Status

We received the following responses as to whether suppliers were aware of the circumstances at secondary suppliers (companies which supply the base ingredients to suppliers who trade directly with Asahi Group) in regards to matters raised in the survey.

Are you aware of the circumstances at suppliers of base ingredients regarding matters raised in this survey?



Sharing Survey Results and Making Improvements

We share the results of the Supplier CSR Survey by holding meetings with suppliers.

We visited 12 suppliers in 2016, and 13 in 2017 to conduct interviews for assessing the status of the implementation of measures related to ten of the 12 sections (questions) of the Supplier CSR Survey. The ten questions are directly related to day-to-day operations. As a result, we found that a relatively large number of suppliers had yet to formulate rules or regulations that prohibit collusion and bid-rigging. In addition, as the graph below shows, we confirmed that most suppliers were taking some action to address the issues identified through the Survey. However, the extent of their engagement with the issues varied depending on factors such as the availability of resources and the strength of links to the parent company. For certain issues such as the inappropriate use of tools and workplace environment management, we worked together with the supplier to find solutions.

The Supplier CSR Survey is conducted every three years. For the next Survey, we will use the CSR Procurement Self-Assessment Questionnaire (SAQ) developed by a subcommittee of the Global Compact Network Japan (GCNJ). It will also include questions in areas not covered by the SAQ, such as CO₂ emissions and waste reduction programs. The findings from the Survey will be used to provide direct feedback to suppliers and also as the basis for on-site interviews with suppliers based on the survey results in our efforts to find solutions to the issues identified.

Implementation of the Ten Social Responsibility Items

