



Establishment of Asahi Global Procurement Pte. Ltd.

Operations as a new global procurement organization to commence January 2024

(Tokyo, Japan - August 9, 2023) – Asahi Group Holdings, Ltd. is pleased to announce that it has established Asahi Global Procurement Pte. Ltd., a wholly owned subsidiary in Singapore, aimed at enhancing the Group’s procurement function. It is set to commence operations in January 2024 and will focus on driving global procurement initiatives for the entire Asahi Group.

Asahi Global Procurement is a new organization that will integrate the Asahi Group’s global, regional, and local procurement functions. The newly established company will also consolidate category management and sourcing activities for items that can be globally managed (preselected raw materials, packaging material including indirect products and services) and where synergies are through a Group-wide procurement approach.

Up to now, procurement activities have been conducted separately for each region and country. With this transition, more than 90% of the Group’s total third party spend is expected to be managed directly by Asahi Procurement (Asahi Global Procurement Pte. Ltd. together with integrated regional and local procurement teams), with Asahi Global Procurement Pte. Ltd. strategically leading and actively influencing approximately half of the total third party spend for the entire Group. By integrating the current Asahi Group's procurement teams into one Asahi Procurement function, we expect to increase the efficiency and productivity of entire function while improving the overall functional capability in line with best in-class standards for modern Procurement organization. This will enable us to procure materials and services in a reliable and sustainable manner.

In terms of the third party spend for the entire Group, Asahi Procurement is aiming to generate at least USD100 million per year on average in procurement savings over a five-year period starting from 2024, through the cost savings and improved cost control effect, including mitigation of potential cost increases in the future (e.g. implementing measures for cost avoidance*¹, leveraging value enablers*²).

Furthermore, besides enhancing its procurement function, Asahi Procurement also strives to make a positive impact on the global environment and proactive risk management. Specifically, by strengthening collaboration with key strategic suppliers, Asahi Procurement expects to deliver non-financial value through various means. This includes promoting supplier driven innovations, mitigating procurement commodity and non-commodity risks, or addressing sustainability topics such as sustainable agricultural, climate change (scope 3) or circular economy (packaging materials). The new organization will also support the growth of the Group as a whole by developing new capabilities and expertise for our global procurement-related functions and workforce.

Asahi Group Holdings has actively pursued business expansion and strengthening Group management by acquiring robust business foundations in various countries worldwide, transitioning to a pure holding company structure, implementing the Asahi Group Philosophy, and establishing four Regional Headquarters in Japan, Europe, Oceania, and Southeast Asia. The company will position the promotion of global procurement by Asahi Global Procurement Pte. Ltd. as a significant milestone for enhancing Group governance, strengthening the management platform that will support its long-term strategies.

*1: "Cost avoidance" refers to enhancing procurement methodologies based on detailed analyses and forecasts of market conditions in order to curb or avoid increases in procurement prices during price hikes

*2: "Value enablers" are efforts to realize optimal procurement prices through enhanced cost analysis and negotiation capabilities for projects such as new capital investments that are not based on any fixed market indicators/benchmarks

Atsushi Katsuki, President and CEO at Asahi Group Holdings said: *"Asahi Global Procurement is the first functional organization of the Asahi Group to be integrated globally. We view this as an initiative to elevate our management to a new level and promote the advancement of overall management. We expect the consolidation of category management and sourcing functions on a global scale to not only create group synergies, but also contribute to solving various issues in the global environment and society, leading to the promotion of sustainable procurement."*

Tomas Veit, CEO at Asahi Global Procurement said: *"Asahi Procurement is the first truly global function within Asahi Group, and I am proud to be part of this unique opportunity where the Procurement function will drive and leverage the full potential of our organization's global 3rd party spend. Now the key focus is on creating a strong and capable team to provide efficient and effective services for Asahi Group in the future. Our newly introduced operating model will also strengthen the partnership with our key strategic suppliers across the world with new focus on initiatives that will help us to expedite sustainability and our risk management agenda globally."*

■ Company Profile

Company Name	Asahi Global Procurement Pte. Ltd.
Representative (CEO)	Tomas Veit
Business Details	Strategic planning and management of global procurement activities for the Asahi Group
Established	July 2023 (operation to begin from January 2024)
Head Office	Singapore
Number of Employees	Expected to be around 40-50



■About Asahi Group Holdings

Asahi Group Holdings, Ltd. is a global leader offering a diverse collection of brands centered on beer, alcohol and non-alcohol beverages, and food. Our mission is to deliver on our great taste promise and bring more fun to life. Established in Japan in 1889, the Group has always been committed to innovation and quality. This dedication has brought together iconic brands and the expertise of renowned breweries from around the world, including those with a rich heritage spanning over centuries. Our approach has culminated in a globally recognized portfolio of brands that includes premium beers such as *Asahi Super Dry*, *Peroni Nastro Azzurro*, *Kozel*, *Pilsner Urquell*, and *Grolsch*. "Cheer the Future" is Asahi Group's commitment to a better future by creating meaningful connections between people, nature, communities, and societies where we operate, leveraging our business to make a positive impact towards a sustainable tomorrow. With a global presence primarily in Japan, Europe, Oceania, and Southeast Asia, we provide over 10 billion liters of beverages to consumers worldwide and generate revenues of over JPY 2.5 trillion annually. Headquartered in Japan, Asahi Group Holdings is listed on the Tokyo Stock Exchange (Prime Market: 2502.T).

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