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Asahi Group Sustainability Report

June 2023

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► Editorial Policy for the Asahi Group Sustainability Report



About This Sustainability Report

This *Sustainability Report* is used to communicate information on the sustainability activities of the Asahi Group. A comprehensive amount of information on the sustainability activities of the Group, including their approach, policies, performance, and activities, as well as their governance, risk management, strategies, and metrics and targets, is provided in this *Sustainability Report*, and we strive to disclose the most up-to-date information while also paying due consideration to timeliness.

Scope of Reports

We dedicate a section of the activity reports focusing on the Asahi Group to report on the activities of individual Group companies, beginning with Asahi Breweries, Ltd. For more information, please refer to the link below.

[Related Information](#) > [Scope of Reports](#)

Subject Areas

We report on the approach, policies, performance, and activities, as well as the governance, risk management, strategies, and metrics and targets, for both the social and environmental aspects of our business activities.

Note: Reports concentrating on the economic aspects of our business activities can be found at our [Investor Relations website](#).

Period Covered

This report primarily covers activities conducted in fiscal 2022 (January 1, 2022–December 31, 2022), but also includes some important information on activities from outside that time period, including activities carried out before fiscal 2022 and updates on recent activities.

Guidelines Referenced

We referenced the “Sustainability Reporting Standards” published by the Global Reporting Initiative (GRI).^{*1} We referenced the “Alcoholic Beverages” and “Non-Alcoholic Beverages” standards for the food and beverage sector, which are among the industry-specific disclosure standards published by the Sustainability Accounting Standards Board (SASB).^{*2}

Additionally, with reference to the standards formulated by the International Financial Reporting Standards (IFRS) Foundation’s^{*3} International Sustainability Standards Board (ISSB),^{*4} we disclose information about each initiative under the headings “Governance,” “Risk Management,” “Strategies,” and “Metrics and Targets.”

*1 GRI: An organization that formulates globally applicable “sustainability reporting guidelines.”

*2 SASB Standards: The disclosure sets for ESG Elements that are expected to have a high future financial impact.

*3 IFRS: An organization that formulates global standards for information disclosure.

*4 ISSB: An organization that formulates global disclosure standards for ESG information.

[Related Information](#) > [GRI Standard Content Index](#)

[Related Information](#) > [SASB Content Index](#)

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Disclaimer

This report contains not only past and present facts about Asahi Group Holdings, Ltd. and all Asahi Group companies, but also future forecasts based on our plans and prospects, and our management policy and management strategy in effect at the time of publication. Due to a range of variables, however, the results or circumstances of our future business activities may vary from the forecasts contained herein. We ask for your understanding in this regard.

Publication Date

June 2023 (Issued annually. Updated as necessary if changes occur to content.)

►CEO Message

Making our corporate statement “Cheer the Future”

2022 had been a tough year for business, requiring us to deal with soaring prices of energy and raw materials. Emerging geopolitical risks and the COVID-19 pandemic have shaken the foundations of our sense of safety and security, as well as of our access to resources, and have revealed just how fragile our whole global ecosystem is. It made me more keenly aware that unless we create a sustainable society, the Asahi Group, as part of society, will not be able to survive, let alone grow. I reaffirmed my commitment to promoting sustainability.

Under the Asahi Group Philosophy (AGP), our aim is to help create this sustainable world through business. We have been working to integrate sustainability into our management in order to achieve this goal. In 2022, in addition to our first-person perspective shown in the AGP, we also worked to clearly show our contributions to third-person parties such as people, nature, communities, and societies. We did this by resetting “Cheer the Future,” which had previously been set as our promise to the future in our Sustainability Stories, into our corporate statement to complement the AGP. By putting our intentions, which are contained in the phrase “Cheer the Future,” to “realize a better future for society through delivering great taste and fun” at the center of our engagement with stakeholders, we plan to continue sending a strong message of our commitment both internally and externally.

In the Global Sustainability Committee which I chair, I can feel how the commitments of our CEOs at every

“ Merging sustainability with all our business operations and functions, and integrating it into management, will increase our positive impacts even more. ”



Atsushi KATSUKI

President and CEO, Representative Director



Regional Headquarters (RHQ) are getting increasingly stronger, and how sustainability governance has been evolving. In 2022, I visited 30 business sites around the world and spoke with around 1,400 employees. Most of the topics of these conversations were related to sustainability. The desire and resolve to contribute toward achieving sustainability have been growing throughout the Group, and this has become the driving force behind our efforts.

Working to visualize our impacts, in order to integrate sustainability into management

To put our AGP and corporate statement into practice, it is essential that we integrate sustainability into management. To accomplish this, we need to fully merge

our Sustainability Strategy with all business operations and functions, and set quantitative metrics and targets. In 2022, we started working on identifying our impacts. We began measuring and analyzing both the positive and negative impacts of our businesses on society, as well as the impacts of our sustainability initiatives on corporate value. While we make positive impacts on society through our business operations, it is also a fact that we produce negative impacts. If we ignore this, there is no way that we can resolve social issues. The key is to measure and visualize both the positives and negatives, so that we can control our impacts by reducing the negatives and increasing the positives. By assessing how we can allocate management resources in the sustainability domain and how to achieve certain impacts, and then working on them, we hope to gain the trust of all our stakeholders.

► CEO Message



Placing human rights at the foundation of business activities and developing sustainability initiatives

We also clearly identified the place of human rights in the Group. We have previously placed human rights as just one of the themes of our initiatives. Based on management discussions concluding that "to achieve our AGP and create a sustainable society, our Human Rights Principles must be incorporated into all our business activities and implemented Group-wide," we identified human rights as a material issue and committed to respecting human rights as the foundation of all our business activities. From dialogues with various stakeholders and experts throughout the years, we have also received harsh feedback saying no company can survive if it does not work on respecting human rights. As the top management, I am once more strengthening my resolve on this issue.

We must carry out our initiatives in line with reality, and not just trot out empty slogans. There are many issues that need to be addressed, including education programs for employees, identifying and addressing human rights risks in the supply chain through human rights due diligence, and

“We will speed up our initiatives on a global basis by building value together with various stakeholders.”

creating a grievance mechanism. A strong commitment by management and performing initiatives based on this resolve — these are the two factors that will drive our future efforts.

For Responsible Drinking, the World Health Organization (WHO) adopted the Global Alcohol Action Plan (GAAP) on the harmful use of alcohol in May 2022. We intend to address this head-on and actively promote such actions as discouraging inappropriate drinking. We cannot do it alone. To achieve our goals, we need to coordinate with various stakeholders and work on a global basis. The Asahi Group is a member of the International Alliance for Responsible Drinking (IARD) together with the world's leading alcoholic beverage producers, and is collaborating with the WHO and various other industries.

For the Environment domain, we follow the Task Force on Nature-related Financial Disclosures (TNFD) recommendations and disclosed information on governance, strategy, and risk management in this report and in the Integrated Report. Going forward, we plan to further strengthen our initiatives and information disclosure on biodiversity, including metrics and targets.

Enhancement of human capital as the foundation of our management strategies

In addition, we consider the enhancement of human capital as vital to a stronger foundation of our management strategies, which include integrating sustainability into management. Diversity, equity, and inclusion (DE&I) can be a pillar of our ideal corporate culture. As this is a domain that is also of great interest to our employees, I firmly believe that we will be able to make more progress with

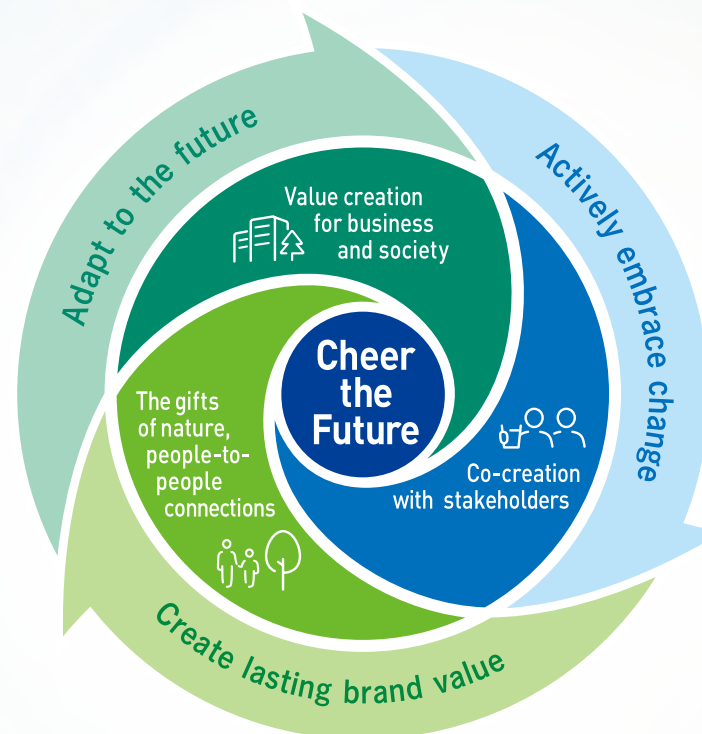
the strong resolve of top management. Moreover, we are promoting development and acquisition of the necessary capabilities for carrying out management strategies, and also strengthening our talent management to nurture management personnel. We will speed up the enhancement of human capital, while at the same time clearly show internally and externally what kind of human resources are needed to execute our management strategies, what we have to do to acquire and strengthen them, and what kind of value they bring as a result.

Bringing sustainability and management together to further heights

Working to integrate sustainability into management, we have set our corporate statement and worked on visualizing our impacts. Such initiatives have led to alignment throughout the entire Group, from top management to employees. As we move forward, I firmly believe that we will continue carrying out these initiatives with much greater confidence, as our desire to achieve our goals ahead of time grows. We intend to increase our positive impacts even more, by merging sustainability with all our business operations and functions, evolving the organization to a point that a department dedicated to sustainability alone becomes unnecessary, and fully integrating it into management.

June 2023

Atsushi KATSUKI
President and CEO, Representative Director



Sustainability at the Asahi Group

One of the core strategies that underpins Asahi Group's Medium- to Long-Term Management Policy is to integrate sustainability into management in order to positively impact both society and the Group's businesses, thus contributing to solving societal issues. To achieve this goal, the Asahi Group is focused on increasing the effectiveness of the sustainability governance structure and promoting activities based on the corporate statement of "Cheer the Future" and "Sustainability Stories."



SUSTAINABILITY STORIES

In order to achieve the integration of sustainability into management,
the Asahi Group has established "Sustainability Stories."

Our "Sustainability Stories" show why, how, and what we are doing to address sustainability, and based on this concept,
the entire Group will work together to promote sustainability and improve engagement with internal and external stakeholders.

**Create Lasting
Brand Value**

**Adapt to
the Future**

**Actively Embrace
Change**

**Our Promise to
the Future**

SUSTAINABILITY STORIES



Create Lasting Brand Value

For over 100 years, we have worked with the gifts and the power of nature to deliver on our great taste promise to consumers around the world.

We are proud that our products have helped encourage people-to-people connections, create communities, and bring more fun to life for everyone—a heritage we aim to continue well into the future.





Objective

Realizing sustainability across the value chain

As a group, we aim to manage risks and create opportunities while aspiring to make a positive impact for business and society with our products and services.



SUSTAINABILITY STORIES

Adapt to the Future

We accept our special responsibility to manage the potentially harmful effects our business may have on the environment and society at large.

Going forward, we are committed to achieving sustainable growth while pursuing sustainability as essential synonymous with pursuing business itself.

SUSTAINABILITY STORIES



Actively Embrace Change

Envisioning a better future, we aim to build sustainable ecosystem and circular economy through decarbonization and the effective use of water resources, connect people to their wonderful communities, and create measures and drinking opportunities to reduce the harmful use of alcohol, sharing ideas and technologies with stakeholders toward realization.

Material Issues and Five Key Initiatives

We have identified what is necessary to achieve the Asahi Group Philosophy from a sustainability perspective and have set material issues and themes for initiatives accordingly. Additionally, we set key initiatives that will enable us to create value that is unique to the Asahi Group.





SUSTAINABILITY STORIES



Our Promise to the Future

We will continue to deliver on our great taste promise and bring more fun to life for everyone by building value together with nature, community, and society at large for making the one and only future shine.


With our concept "Cheer the Future," we aim to take action toward a better world for all.



▶ Global Targets for Key Initiatives; Creating Business and Social Impact



■ Respond to Climate Change

| | | | | |
|--|---|--|--|--|
| Group-wide Targets The Asahi Group's Medium- to Long-Term Target for Reducing CO ₂ Emissions  | <ul style="list-style-type: none"> ● Reduce our CO₂ emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral by 2050*1 ● Reduce CO₂ emissions by 70% in Scope 1 and 2 by 2030 (compared with 2019)*2 ● Reduce CO₂ emissions by 40% in Scope 1 and 2 by 2025 (compared with 2019)*2 ● Reduce CO₂ emissions by 30% in Scope 3 by 2030 (compared with 2019)*1 | | | |
| Action Plans for Each RHQ | Japan <ul style="list-style-type: none"> ● Use renewable energy for 100% of electricity purchased at all production sites by 2025 ● Reduce CO₂ emissions every year by 1% or more over the previous year | Europe <ul style="list-style-type: none"> ● Carbon neutral in AEI breweries by 2030 ● 100% renewable electricity in our breweries by 2025 | Oceania <ul style="list-style-type: none"> ● Reduce Scope 1 and 2 CO₂ emissions in our operations by 50% by 2025 (compared with 2019) ● 100% of our purchased electricity to be sourced from or matched with renewable sources by 2025 | Southeast Asia <ul style="list-style-type: none"> ● Reduce CO₂ emissions in Scope 1 and 2 by 50% by 2030 (compared with 2019) |

*1 Applicable companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.
 *2 Applicable companies: Asahi Group Japan, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

● Business impact



Promoting products and services addressing environmental issues

Avoidance of product supply/regulatory risks

● Social impact



Greater social awareness and changes in behavior for climate change

CO₂ emissions reductions

■ Sustainable Packaging

| | | | | |
|--|--|---|---|--|
| Group-wide Targets  | <ul style="list-style-type: none"> ● Realize 100% utilization of materials for plastic containers that can be used effectively by 2025*1 ● Achieve a 100% conversion to eco-friendly materials for PET bottles by 2030*2 ● Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers | | | |
| Action Plans for Each RHQ | Japan <ul style="list-style-type: none"> ● Achieve sales target for unlabeled bottles (117% YOY increase in 2023) (Target: Asahi Soft Drinks Co., Ltd.) | Europe <ul style="list-style-type: none"> ● By 2030, AEI will use only containers, as well as secondary packaging that is reusable or fully recyclable, and made chiefly from recycled content ● 25% plastics reduction in AEI by 2030 (compared with 2019 baseline) | Oceania <ul style="list-style-type: none"> ● Increase the amount of recycled content used in our glass bottles and aluminum cans to on avg. majority (>50%) recycled content by 2030 | Southeast Asia <ul style="list-style-type: none"> ● Use recycled materials in 30% of PET bottles by 2025 |

*1 Effective use: Reusable, recyclable, compostable, thermal recyclable, etc.
 Target companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.
 *2 Eco-friendly materials: Recycled materials, biomass materials, etc.
 Target companies: Asahi Soft Drinks Co., Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

● Business impact



Expansion of products using sustainable containers and packaging

Avoidance of product supply/sales risks

● Social impact



Circular economy in which plastic resources are recycled

Reduction in inappropriate plastic waste

► Global Targets for Key Initiatives; Creating Business and Social Impact



■ Realize Sustainable Communities through the Creation of People-to-People Connections

| | | | | |
|--|---|--|---|--|
| <p>Group-wide Targets</p> <p>RE:CONNECTION </p> | <ul style="list-style-type: none"> ● Aim to improve the well-being of agricultural producers through connections (co-creation) with stakeholders under the key activity of sustainable agriculture ● Under the basic activity of community support activities, all RHQ participate in implementing our global initiative of RE:CONNECTION for the EARTH | | | |
| <p>Action Plans for Each RHQ</p> | <p>Japan</p> <ul style="list-style-type: none"> ● Conduct cross-group community support activities related to the regional environment twice a year | <p>Europe</p> <ul style="list-style-type: none"> ● Implement support project for barley farmers (Campus Peroni [Italy]), and hops farmers, (FOR HOPS [Czech Republic]) | <p>Oceania</p> <ul style="list-style-type: none"> ● Develop and maintain the program for using barley purchased directly from farmers | <p>Southeast Asia</p> <ul style="list-style-type: none"> ● Conduct community participation programs at each business unit twice a year |

● Business impact



Stable procurement of agricultural raw materials



Avoidance of product supply/regulatory risks

● Social impact



Improvement of agricultural producers' Well-being



Revitalization of regional communities

■ Reduction in Inappropriate Drinking

■ Solution of Alcohol-related Issues through Creation of New Drinking Opportunities

| | | | |
|---|---|---|---|
| <p>Group-wide Targets</p> | <ul style="list-style-type: none"> ● Achieve 100% participation rate of employees in at least one training program by 2023*1 ● Achieve 100% compliance with IARD Digital Guiding Principles by 2024 ● Display age restrictions on alcohol consumption on all products under alcohol beverage brands (including non-alcohol beverages sold under that brand) by 2024 ● Achieve a 15% sales composition ratio of non-alcohol and low-alcohol beverages to major alcohol beverage products*2 by 2025 | | |
| <p>Action Plans for Each RHQ</p> | <p>Japan</p> <ul style="list-style-type: none"> ● Achieve 20% non-alcohol and low-alcohol sales composition ratio by 2025 | <p>Europe</p> <ul style="list-style-type: none"> ● Achieve 20% share of non-alcoholic products in our portfolio by 2030 | <p>Oceania</p> <ul style="list-style-type: none"> ● Plan to achieve 30% non-alcohol and low-alcohol sales composition ratio across beer portfolio by 2025 |

● Business impact



Offering of diverse options through stronger value propositions



Avoidance of product supply/sales regulation risks

● Social impact



Popularization of responsible enjoyment of alcohol



Reduction in inappropriate drinking

* 1 Target companies: Asahi Group Japan, Ltd., Asahi Europe and International Ltd., and Asahi Holdings (Australia) Pty Ltd.

* 2 Beer-type beverages, RTDs, non-alcohol beverages

► Sustainability at the Asahi Group



Feature Article 1: Dialogue with Persons Responsible for Promoting Sustainability Strategies Initiatives to Create Sustainable Products



Product-related initiatives are indispensable to the Asahi Group's goal of integrating sustainability into its management. In this section, persons responsible for promoting sustainability strategies at Asahi Group Holdings, Ltd. and each Regional Headquarters (RHQ) discuss ways for the Group to create sustainable products and how to communicate the value of such products to stakeholders within the value chain, based on "Realizing sustainability across the value chain" — our objective of the Group's sustainability strategies.

Kayoko: As indicated by our objective, it is imperative that we strengthen initiatives across the value chain and maximize positive impacts if we are to truly realize sustainable products. Through our sustainable products, we aim to protect nature and resources while at the same time ensuring that consumers continue to experience enriching lifestyles, and we hope that this will encourage changes in consumer awareness and behavior. Also, while thoroughly ascertaining social changes, we aim to turn sustainable products into a growth driver for the Asahi Group's businesses. In light of these ambitions, I have held repeated dialogues with the leaders of each RHQ regarding how we can realize sustainability through our products. I would like to once again ask all of you if you could share the relevant initiatives you are promoting in your region. First, John, would you mind telling us about the situation in Oceania?

John: Consumers in Australia and New Zealand are increasingly choosing products that are promoted as more sustainable. We offer products to consumers such as *Cool Ridge*, which was recently certified as carbon neutral by Climate Active, a collaborative initiative with the Australian Government. In this way, we have plans in place to reduce our carbon emissions and offset the remaining attributable emissions from producing this product. We will continue to explore opportunities to make products more sustainable and better serve our customers and consumers.

Drahomíra: At Asahi Europe and International Ltd., we have established various sustainability standards within the development process for new products. However, this required substantial dialogue across divisions before we gained the understanding of our marketing innovation team. Thanks to such dialogue, we were able to gather in-house

^{*1} Referred to as "Nathan" in main text

^{*2} At time of dialogue

► Sustainability at the Asahi Group ► Dialogue with Persons Responsible for Promoting Sustainability Strategies



knowledge on how to expand our lineup of sustainable offerings.

The level of sustainability awareness in Europe differs greatly by market. There are places such as the United Kingdom and the Netherlands where consumer awareness is very mature, and there are also places where the government, media, and consumers alike have fairly little interest in sustainability. To establish a consistent brand image based on an understanding of consumers' opinions regarding sustainability and other relevant matters in each market, we regularly conduct consumer surveys and we also launched a "brand mapping" initiative to match our brands with relevant sustainability topics. We have been able to achieve various successes when it comes to integrating sustainability into our business operations. These include the promotion of returnable glass bottles in the Czech Republic and Slovakia and the suspension of the sale of beer in PET bottles in these countries.

Kazuhiko: It is very impressive how advanced Europe is when it comes to sustainability. In Japan, progress has been made toward considering sustainability with certain brands and products, but this progress has been somewhat fragmented. In terms of strategies across the value chain, we are currently in the middle of examinations on how to integrate sustainability into these strategies. In these examinations, we have stressed the importance of forming specific connections between our brands and sustainability.

One major characteristic of the Japanese market is how awareness of sustainability differs more by generation than by region. Ethical consumption is likely something that the younger generation naturally accepts as they have learned about sustainability at school. However, sustainability awareness is still relatively low among middle-aged and

elderly people. We therefore intend to flexibly foster brand connections based on this unique characteristic of the Japanese market and establish KPIs specific to each target market. I believe doing so will help us with full-fledged strategy formulation. Nathan, could you please tell us about the efforts being made in Southeast Asia?

Nathan: At Asahi Holdings Southeast Asia Sdn. Bhd., we are striving to reduce the amount of sugar used in our products in consideration of consumer health. By establishing targets related to the sugar content of our products and promoting efforts to reach these targets, we have currently moved 84% of our products into the low-sugar category. In fact, most of our products today meet the criteria of the Healthier Choice program set out by governments here in Southeast Asia.

Additionally, we are currently proceeding with preparations to add symbols on our product packaging that indicate that a product can be recycled. Hearing that Asahi Europe and International has incorporated sustainability elements into its development process for new products encourages us at Asahi Holdings Southeast Asia to further expand our current initiatives and strive to engage in efforts that cover all aspects of sustainability in the future.

Drahomíra: Asahi Holdings Southeast Asia Sdn. Bhd.'s efforts to reduce the amount of sugar in products is an excellent example of the Group's sustainability initiatives. I feel what is important to keep in mind is how we can let consumers know about it. If consumers understand and appreciate our sustainability initiatives, then I believe this will certainly lead to increased brand loyalty and encourage them to make responsible and sustainable choices together with us.

To that end, when we display on our packaging, for example, that a product is carbon neutral, we must make sure that this claim can be measured and verified. If we are unable to foster a proper understanding among consumers, they may view our sustainability efforts as a type of greenwashing. In March 2023, the European Commission published its Proposal for a Directive on Green Claims, setting harmonized minimum requirements to counter greenwashing, to increase transparency toward consumers and to raise the overall level of trust surrounding environmental claims and labels on the EU market. I can say with confidence that we strive to always remain one step ahead of these various rules and regulations.

Kayoko: To ensure that our brands across the world continue to be highly trusted, we must maximize positive business and social impacts across the entire value chain from the perspective of sustainability. Hearing what everyone has said here in this dialogue, I have reaffirmed my belief in this idea.

I ask that you all continue to demonstrate leadership based on regional strategies that cater to the circumstances in the regions of each RHQ, including culture, laws and regulations, and the level of interest in sustainability. Let us engage in dialogue to a greater extent than ever before and continue striving to learn from one another. I believe doing so truly exemplifies the ideal approach to integrating sustainability into our management.



► Sustainability at the Asahi Group

Feature Article 2:

Visualizing Our Impacts

The Asahi Group is promoting initiatives to quantitatively visualize the business and social impacts of its sustainability measures in terms of positive and neutral aspects. Here we introduce initiatives verified in 2022 as well as future initiatives currently in the trial phase.

Background to and Purpose of Our Visualization Initiatives

To integrate sustainability into management, the Asahi Group is creating a governance system to identify risks and opportunities, formulate strategies, set targets and metrics, and manage progress on material issues. In 2022, we launched initiatives to visualize impacts with the aim of quantitatively understanding the business impacts of sustainability measures, in terms of corporate value improvement, and the social impacts of our business activities. We believe that these initiatives will help us identify key metrics for business management, which can then be incorporated into prioritizing measures, making investment decisions, and managing progress, thereby delivering on sustainable business growth and creating further positive impacts on society.

Our Visualization Initiatives in Detail

We began by exploring how our measures to date have been connected to enhancement of corporate value, and we are also working to visualize the positive and neutral business and social impacts of these measures. Our initiatives to visualize business impacts focused on financial matters, while our initiatives to visualize social

| | Initiative | Theme | Analytical Methods Used for Verification | |
|--|--|--|--|---|
| Initiatives verified in 2022 | Create and verify a Value Relevance Map | <ul style="list-style-type: none"> Environment Communities Responsible Drinking Enhancement of Human Capital | Value relevance analysis | A method for developing a hypothetical map of value chain paths from various initiatives to enhancement of corporate value and verifying correlations between all adjacent instances of value by using simple regression analysis |
| | | | Overview analysis: "The Yanagi Model" | A method using the Yanagi Model* to verify direct relationships between multiple metrics and corporate value (PBR) through multiple regression analysis |
| Initiatives for the future (Trial phase) | Visualize business impacts of initiatives from a financial perspective | – | Development stage | – |
| | Visualize social impacts | Responsible drinking | Impact-weighted accounts | A method of financially quantifying a company's impacts on society, including its employees, customers, and the environment |

* Yanagi Model: Ryohei Yanagi, *CFO Policy (Dai 3 han): Zaimu hizaimu senryaku ni yoru kachi sozo* (CFO Policy (3rd Edition): Financial and Non-financial Strategies for Value Creation), Chuokeizai-Sha, 2023

impacts encompassed both direct positive impacts, such as community activities, and neutralization, which refers to the reduction of negative impacts such as the environmental burden of business operations and alcohol-related problems caused by inappropriate drinking.

Initiatives Verified in 2022

Create and verify a Value Relevance Map

Overview of the initiatives

The four key initiatives of our sustainability strategy are: "Environment" (Respond to Climate Change and sustainable packaging); "Communities" (realizing

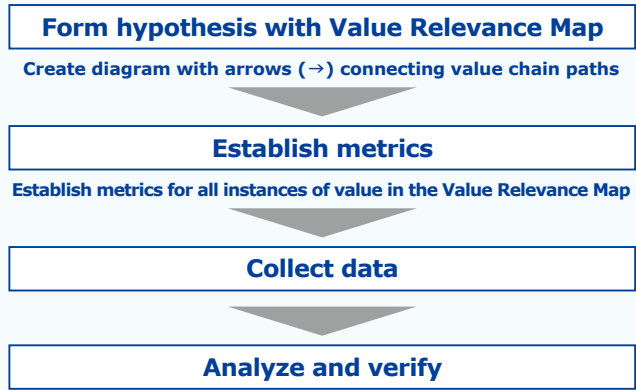
sustainable communities through the creation of people-to-people connections); "Responsible drinking" (reduction of inappropriate drinking and solving alcohol-related issues by creating new drinking opportunities); and "Enhancement of human capital," which is the strategic foundation of our Medium-to-Long-term Management Policy. To grasp the overall picture of how these initiatives are creating value, we created a Value Relevance Map of the value chain paths from measures to enhancement of corporate value, and then analyzed and verified the map. These efforts to lay the groundwork for the visualization of impacts spanned most of 2022.

► Sustainability at the Asahi Group ► Visualizing Our Impacts



■ Verification process

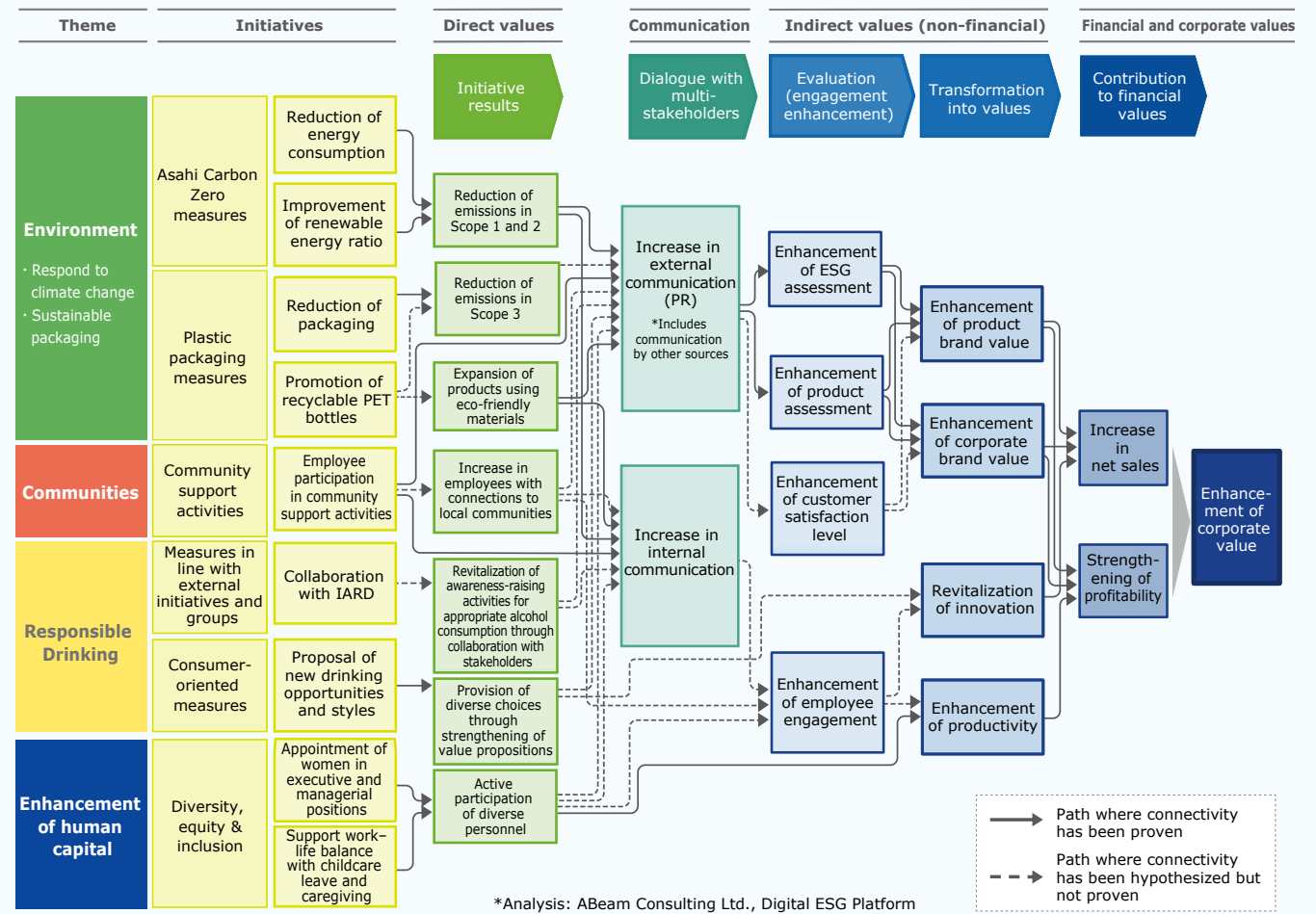
The first step was creating a Value Relevance Map. We developed our own diagram specifically for the Group after discussions on how value chain paths from measures to enhancement of corporate value are created, based on the strategies and measures for each initiative and considering both business and social impacts and positive and neutral aspects. We established a broad range of financial and non-financial metrics to measure the value created in this way, and set about collecting the data needed for analysis. For analysis and verification, we adopted the value relevance analysis method to verify the correlation between all adjacent instances of value in the value chain paths of the Value Relevance Map using simple regression analysis. We also adopted the overview analysis method (the Yanagi Model)



Using the value relevance analysis method, analyze correlations between instances of value via simple regression analysis. Perform final evaluation by qualitatively confirming whether the content is reliable.

Note: The Yanagi Model was used to verify the value chain paths.

Value Relevance Map (Excerpt)



► Sustainability at the Asahi Group ► Visualizing Our Impacts



to verify direct correlations between the metrics of multiple measures and enhancement of corporate value (PBR) as start and end points, respectively, using multiple regression analysis. Finally, the results of the two analyses were checked from the perspective of whether the content was qualitatively reliable. In 2022, Japan was targeted for the first phase of the initiative, which will be expanded to other regions in stages.

■ Results and challenges

This verification process let us demonstrate correlations between many instances of value in the Value Relevance Map. In some cases, we were able to verify all the connections in the path from the measure at the starting point to enhancement of corporate value at the end point. This enabled us to grasp the overall picture of the value chain paths that connect measures to enhancement of corporate value.

<Main points ascertained>

- Various measures create direct value (results of measures). Through communication with multi-stakeholders, this leads to improved engagement, which is indirect non-financial value, and enhancement of corporate brand value, known as the reputation effect. This in turn leads to enhancement of financial value and corporate value.
- Communication with multi-stakeholders, customer satisfaction, and employee engagement are important connections in the value chain paths that lead to enhancement of corporate value.

On the other hand, there were cases where connections between instances of value could not be demonstrated due to a lack of data for analysis, selection of metrics with low suitability, and other reasons. From these cases, we derived many hints that led us to reconsider and improve our hypothesis in the future.

Through the creation and verification of this Value Relevance Map, we were able to build a foundation for the visualization of impacts and to see the paths toward its actualization. We will further develop this Value Relevance Map as the foundation of our initiatives and link it to the visualization of our business and social impacts.

■ Initiatives for the Future (Trial Phase)

With regard to two initiatives that are still in the trial phase, we examined areas of these initiatives that need to be reinforced and considered their future aims based on the results of the analyses carried out in 2022.

Visualize business impacts of initiatives from a financial perspective

■ Overview of the initiatives

The Asahi Group is taking on the challenge of visualizing the business impacts of its measures in financial terms with the aim of using this information to help determine measure priorities and make investment decisions. In 2022, we attempted to calculate the impacts of a 1% improvement in the actual value of certain measures on corporate value

by considering the total amount of change in the verified value chain paths of the Value Relevance Map. For example, we performed a trial calculation on how much a 1% reduction in CO₂ emissions through a certain measure would contribute to sales revenue through value chain paths. However, the results were not convincing to us, because to estimate the impacts on sales revenue, we had to take into account the impacts of factors that could not be represented in the Value Relevance Map. In the future, we intend to resolve the issues raised by this research and visualize business and social impacts in financial terms.

Visualize social impacts

■ Background to the initiatives

As a company that uses the gifts of nature in its business operations, the Asahi Group believes that it needs to manage the potential impacts of our business on the environment and society as a whole. So far, through our key initiatives, we have been qualitatively organizing and disclosing the social impacts we create. However, what cannot be quantified cannot be evaluated or controlled. We believe that we can only seriously address issues and formulate appropriate strategies and effective measures after quantitatively grasping the extent to which our business activities and sustainability initiatives have a positive or negative impact on corporate value or on society. In 2022, we began working on quantitative visualization of social impacts, which we believe will enable us to reduce negative impacts and increase positive impacts.

► Sustainability at the Asahi Group ► Visualizing Our Impacts



■ Overview of the initiatives

We are using impact-weighted accounting methods to visualize social impacts. This method enables us to grasp social impacts in terms of three aspects: impacts of business activities on the environment, impacts of product use on society and the environment, and impacts the organization has on its employees through employment. By financially quantifying the positive and negative values of each aspect and tallying them up, we can visualize the overall social impacts.

In the first year, we began this initiative based on the theme of "Responsible drinking," which is one of our material issues, with Japan as target region. In 2022, the World Health Organization (WHO) General Assembly adopted the Global Alcohol Action Plan with the goal of reducing harmful alcohol use by 20% by 2030. In order to strengthen our efforts toward this goal, we believe it is necessary to grasp the social costs of inappropriate drinking, such as heavy episodic drinking, and the effectiveness of measures to eliminate inappropriate drinking.

■ Future initiatives

Our efforts to visualize social impacts are still in their initial stages, but progress is being made. We hope to use these efforts to motivate Asahi Group employees to work on sustainability measures, and inform people outside the company about these efforts in order to get more stakeholders involved

and resolve social issues through co-creation. In the future, we aim to improve the accuracy of the data and logic, expand the scope of coverage, and use these initiatives as metrics for evaluating measures and making investment decisions. The Asahi Group is embracing the challenge of being a pioneer in these initiatives.



Sustainability Management

To integrate sustainability into management, the Asahi Group has identified its material issues and aims to enhance its corporate value through activities related to key initiatives tied to each theme as it strives to realize a sustainable society.

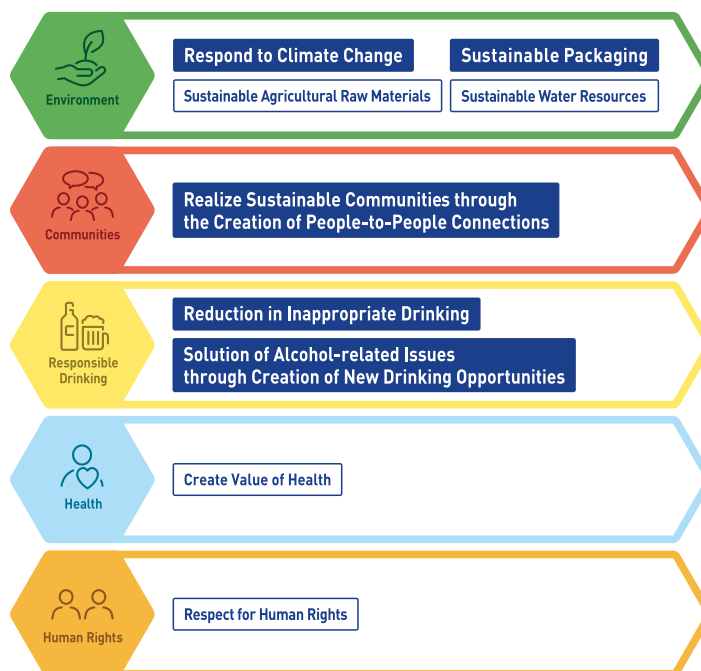
- ▶ Asahi Group Material Issues
- ▶ Stakeholder Engagement
- ▶ Governance
- ▶ Risk Management
- ▶ Metrics and Targets

▶Asahi Group Material Issues



The Asahi Group conducts an annual evaluation and review of material issues in order to integrate sustainability into management. Following a full reconsideration of our material issues in 2020, in 2021 we reorganized our initiatives in this area, selecting key initiatives on which to focus our management resources. After numerous discussions at the management level on “Human rights” initiatives, in 2023 we reached the conclusion that there is a need to incorporate the Human Rights Principles into all of our business activities and implement them throughout the entire Group in order to realize the Asahi Group Philosophy (AGP) and achieve a sustainable society. As

a result, we repositioned “Human rights,” previously one of the initiatives of the “People” material issue, as a material issue in and of itself that is also the foundation of our business activities. Through this change we believe we will be able to promote our efforts, including those related to other material issues, with a greater awareness of respect for human rights than ever before. We have also positioned another initiative, “Diversity, equity and inclusion,” as one of the pillars of “Enhancement of human capital,” which is the strategic foundation of our Medium- to Long-Term Management Policy, and we are continuing Group-wide efforts to make progress in this area.



Background for Identifying Material Issues

As stated in its “Sustainability Stories,” the Asahi Group recognizes the impact that its business has on the environment and society as a whole. We confront these issues head-on and work to resolve them, thereby creating positive value for society, which will lead to sustainable business growth.

As a result of analysis conducted in updating the new Medium- to Long-Term Management Policy, including the 2022 long-term strategy, we anticipate that climate change and the depletion of natural resources, changing demographics and shifts in economic power, technological advancements, and the accompanying changes to conceptions of human well-being will be megatrends in 2050. Based on this assessment, we established material issues, which are areas to be addressed, as a management concern.

Processes for Identifying Material Issues

When identifying material issues, we incorporated perspectives on future trends, such as backcasting from megatrends and future projections, and chose what is needed in terms of sustainability to achieve the AGP. In identifying key initiatives, we emphasized the perspective of “whether we can create unique value” of importance to the Asahi Group.

▶ Asahi Group Material Issues

1. Analyzing Megatrends and Identifying Social Issues

A broad range of social issues were identified for consideration based on the following perspectives.

- Global megatrends, future predictions
- Sustainability report guidelines (GRI Standards/SASB)
- ESG assessments (FTSE/MSCI/Sustainalytics/CDP)
- SDGs
- World Economic Forum (WEF) Global Risks Report
- Other social issues unique to the businesses of the Asahi Group

2. Mapping of the Identified Social Issues

The Asahi Group mapped the identified social issues from the viewpoints of their importance to society, stakeholders, and the Asahi Group, and the issues that were classified as falling into similar categories were reviewed for material issues.

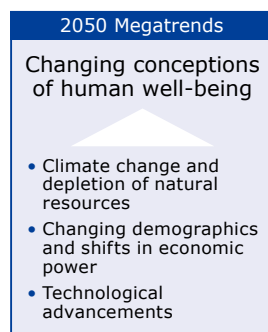
3. Evaluating Adequacy

After discussions with each Regional Headquarters (RHQ), top management of Asahi Group Holdings, Ltd. evaluated the adequacy of the material issues through deliberations by the Corporate Strategy Board and Board of Directors.

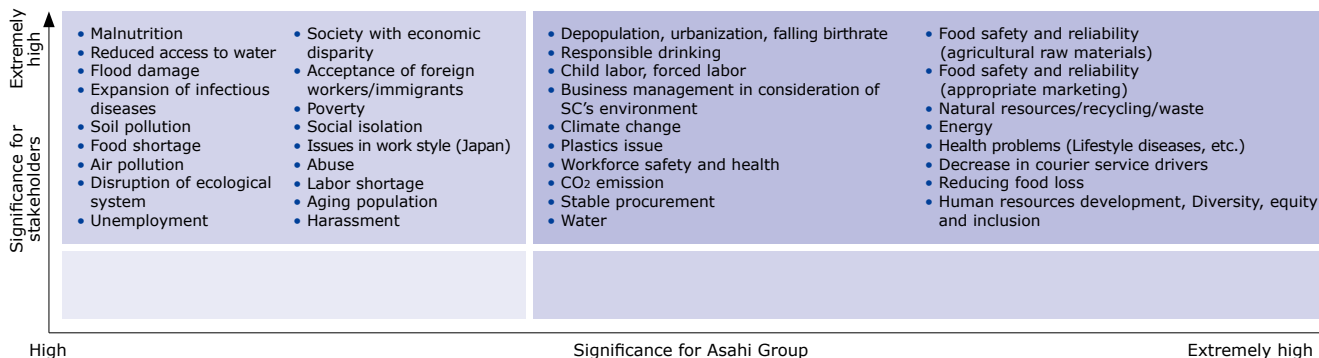
4. Identifying and Periodically Assessing Material Issues

In 2020, through the processes described in 1 through 3 above, the Asahi Group identified five material issues to be addressed as management issues and the overall initiatives to be tackled. At the same time, social trends

Megatrend Analysis



| 2030 | |
|--|--|
| Key Megatrends | Challenges for Asahi Group Businesses |
| Health consciousness and headwinds from alcohol-related issues | <ul style="list-style-type: none"> • Expanding beyond the framework of existing businesses into areas of physical and mental health • New product propositions fusing our technology in alcohol beverages and non-alcohol beverages; Researching, developing, and cultivating alternatives to alcohol products |
| Growing diversification of definitions of well-being; Progressive decentralization | <ul style="list-style-type: none"> • Responding to demand for further personalization and premiumization • Giving tangible shape to potential value in anticipation of changes in behavior |
| Heightened awareness of sustainability-related issues | <ul style="list-style-type: none"> • Enhancing initiatives relating to the environment, communities, etc. • Generating various forms of new value to meet ethical consumption needs |
| Geopolitical changes, such as shifts in economic growth regions | <ul style="list-style-type: none"> • Worldwide expansion of global brands • Further strengthening our financial position before investing in expansion into new regions |
| Co-existence with evolving technologies | <ul style="list-style-type: none"> • Building new business models through the acceleration of digital transformation • Creating new value involving unique offline experiences |



and stakeholder expectations are constantly shifting, which is why we believe the relevance of our material issues should be continuously reconfirmed through annual evaluations and reviews. In 2022, we assessed our material issues in line with the formulation of a new Medium- to Long-Term Management Policy that includes long-term strategies and confirmed that there was no need to change the material issues themselves. However, we recognized that the scope of our initiatives was too broad and the allocation of management resources was too

scattered. As such, we decided to focus on key initiatives that would create more unique value for the Asahi Group. In 2023, we believe that "there is a need to incorporate the Human Rights Principles into all of our business activities and implement them throughout the entire Group in order to realize the AGP and achieve a sustainable society." As such, we have relocated one of our initiatives, "Human rights," to position it as a material issue, which is also the foundation of our business activities.



▶ Stakeholder Engagement



Engagement Approach

The Asahi Group will contribute to the development of a sustainable society by way of business activities throughout the world. To this end, we will implement activities based on the AGP and the Asahi Group Code of Conduct.

Within the AGP, the Asahi Group sets out “building value together with all of our stakeholders” as one of Our Principles, and defines prioritized stakeholders as follows.

Customers: Win customer satisfaction with products and services that exceed expectations

Employees: Foster a corporate culture that promotes individual and Company growth

Society: Contribute to realizing a sustainable society through our business

Partners: Build relationships that promote mutual growth

Shareholders: Increase our share value through sustainable profit growth and shareholder returns

Additionally, the Asahi Group Code of Conduct summarizes the actions that Asahi Group employees should take with respect to the above stakeholders, and ensures thorough compliance as follows.

Customers: Pursuit of customer and consumer satisfaction/Be transparent and act with integrity

Employees: Employee growth and establishment of a safe and positive work environment

Society: Contribute to a sustainable society/Anti-bribery

Partners: Foster fair and healthy relationships with our business partners/Promote CSR with our suppliers/Maintain fair competitive relationships

Shareholders: Increase corporate value and protect company assets/Timely, appropriate and fair disclosures

Communication with Major Stakeholders

| Main Stakeholders | Content of the Asahi Group Code of Conduct | Main Contact Opportunities |
|---------------------|---|---|
| Consumers | <p>1. Pursuit of customer and consumer satisfaction The Asahi Group places its highest priority on the safety and trust of its customers and consumers. The Group wins customer and consumer satisfaction by complying with laws and regulations relating to the quality of its products and services and consistently exceeding expectations with its products and services.</p> <p>2. Be transparent and act with integrity The Asahi Group provides to customers and consumers helpful information regarding its products and services. The Group addresses feedback and inquiries of customers and consumers swiftly and with integrity.</p> | <ul style="list-style-type: none"> Customer counseling office (handling inquiries) Surveys related to product development, etc. Sales activities Website, social media Plant tours Events and seminars |
| Employees | <p>3. Employee growth and establishment of a safe and positive work environment The Asahi Group respects the human rights and diverse values of all its employees, and strives to foster a corporate culture in which each employee can grow by making use of his/her unique skills and abilities. The Group will grow itself through the growth of its employees. The Group complies with labor laws in each country and region where the Group does business as well as employment rules and employment contracts, and strives to create a working environment that ensures the safety and health of its employees.</p> | <ul style="list-style-type: none"> Interviews with superiors and subordinates Union-management consultation, Asahi Group Workers' Union Council Whistle-Blowing Systems called Clean Line System Employee survey Many different surveys Many different training programs Internal newsletter (intranet, video news) |
| Society | <p>4. Contribute to a sustainable society The Asahi Group endeavors to address social issues through its business and to contribute to the achievement of a sustainable society. Through all of its business activities the Group works to promote environmental preservation, respect for human rights, and responsible drinking.</p> <p>5. Anti-bribery The Asahi Group will not engage in any form of bribery or corruption, and strives to maintain honest and healthy business relationships. The Group will remain politically neutral.</p> | <ul style="list-style-type: none"> Activities for contribution to local community (e.g. Community activities on material issues) Plant tours Community support activities in regions with workplaces Sales activities Purchasing News releases Website |
| Partners | <p>6. Foster fair and healthy relationships with our business partners The Asahi Group engages suppliers and other business partners based on a comprehensive assessment, which includes quality and price. The Group promotes fair and healthy relationships with business partners and works with partners to mutually increase corporate value.</p> <p>7. Promote CSR with our suppliers The Asahi Group promotes CSR in its procurement activities together with suppliers, respects human rights and the environment, and complies with applicable laws and regulations in order to contribute to the development of a sustainable society.</p> <p>8. Maintain fair competitive relationships The Asahi Group complies with laws and regulations concerning fair competition applicable to each country and region where the Group does business and acts fairly and with transparency.</p> | <ul style="list-style-type: none"> Purchasing Supplier CSR Questionnaire Quality audits of suppliers Asahi Group Material QA Meeting Explanatory meetings for suppliers Procurement Clean Line System, point of contact for consultation and reporting from business partners Website |
| Shareholders | <p>9. Increase corporate value and protect company assets The Asahi Group seeks to increase corporate value through sustainable profit growth and the appropriate return of profits to shareholders. To achieve this, the Group manages its tangible and intangible assets properly in accordance with the company rules and protects the value of such assets.</p> <p>10. Timely, appropriate, and fair disclosures The Asahi Group discloses company information in a timely, appropriate, and fair manner in order for shareholders to accurately understand and evaluate company information, as well as to prevent insider trading and leakage of material, non-public information.</p> | <ul style="list-style-type: none"> General meeting of shareholders Financial results briefing IR Day ESG initiatives Briefings for individual investors "Asahi Super Report" for shareholders and investors Integrated report Dialogues with ESG assessment agencies Website |

► Stakeholder Engagement

Support for External Initiatives

The Asahi Group is working with our stakeholders through participation in various organizations such as industry forums, international organizations, NPOs, and NGOs.

Supporting the United Nations Global Compact

The Asahi Group was the third Japanese company to express support for the United Nations Global Compact in June 2002.

The Global Compact was proposed by the then Secretary-General of the United Nations Kofi Annan in January 1999 at the World Economic Forum, and he requested individual corporations to support and practice the ten principles in the four areas pertaining to human rights, labor standards, the environment, and corruption prevention within their scope of influence. Its aim is to bring about a proactive change to the world by complying with and practicing these rules as individual corporations execute their business.

The Asahi Group also participates in the sectional meetings organized by Global Compact Network Japan and is committed to the achievement of the Ten Principles in cooperation with leading companies in Japan.

WE SUPPORT



The Ten Principles of the UN Global Compact

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The Asahi Group Signs the CEO Water Mandate, a UN Global Compact Initiative

In April 2023, Asahi Group Holdings, Ltd. signed the CEO Water Mandate, a global initiative established by the United Nations Global Compact, reaffirming the Group's continued commitment to addressing water sustainability and water resource issues.

The CEO Water Mandate is a global platform that supports corporate development, practices, and information disclosure relating to water sustainability and water resource issues. Companies that endorse the Mandate commit themselves to setting water use targets, encouraging suppliers to make effective use of water, and addressing water scarcity and sanitation issues by working together with community groups.

Water resources are one of the four pillars highlighted in the "Asahi Group Environmental Vision 2050" initiative. As a company that enjoys the gifts of nature, including water and agricultural raw materials to create products and services, the Group promotes activities to enhance the sustainability of water resources on a global scale. The Asahi Group will continue to enhance efforts to promote water recycling through the optimization of water usage and to preserve ecosystems by maintaining appropriate water quality and quantity, among other measures. This is in line with the global target set to reduce the intensity of water consumption to 3.2 m³/kl or less by 2030.



► Stakeholder Engagement



Supporting SDGs

The Asahi Group supports Sustainable Development Goals (SDGs). In September 2015, more than 150 member nations of the United Nations adopted “Transforming our world: the 2030 Agenda for Sustainable Development.” This agenda is an action plan proclaiming the goals that should be achieved by 2030 for the sake of humanity, our Earth, and prosperity. The agenda comprises 17 goals and 169 targets. The Asahi Group contributes towards achieving these SDGs through our efforts under our material issues.

[Related Information](#) > [Asahi Group Material Issues](#)



Major Participating and Collaborating Organizations

General Sustainability

- UN Global Compact, Global Compact Network Japan (GCNJ)
- Council for Better Corporate Citizenship (CBCC)
- The Consumer Goods Forum (CGF)
- Nippon Association of Consumer Specialists (NACS)
- Association of Consumer Affairs Professionals (ACAP)

Environment

- CDP Worldwide-Japan
- RE100
- Business Ambition for 1.5°C
- Japan Climate Leaders' Partnership (JCLP)
- Japan Climate Initiative (JCI)
- TCFD Consortium
- Japan Clean Ocean Material Alliance (CLOMA)
- Keidanren Committee on Nature Conservation
- TNFD Forum
- WWF Japan

Human Rights

- The Global Alliance for Sustainable Supply Chain (ASSC)
- Japan Platform for Migrant Workers towards Responsible and Inclusive Society (JP-MIRAI)

Communities

- Keidanren 1% Club
- Japan Platform (JPF)
- Second Harvest Japan (2HJ)
- Central Community Chest of Japan
- Japan Committee, Vaccines for the World's Children (JCV)

Responsible Drinking

- International Alliance for Responsible Drinking (IARD)
- World Federation of Advertisers (WFA)

Secure Food Safety and Reliability

- Japan Food Safety Management Association (JFSM)

► Governance



Sustainability Governance

The Asahi Group regards promoting sustainability as an important issue in business management, and has created a corporate governance structure that incorporates the promotion of sustainability by establishing a Global Sustainability Committee chaired by the CEO of Asahi Group Holdings, Ltd.

The Group is united in working to achieve sustainability through a structural framework, with details determined by the Global Sustainability Committee being incorporated into strategies for the Group as a whole via the Sustainability Execution Conference and the Sustainability Task Force.



| Organization | Role | Composition | Frequency of Meetings |
|---|---|---|-----------------------------|
| Global Sustainability Committee | <ul style="list-style-type: none"> Formulates the Group's sustainability policy Determines sustainability strategy Makes investment decisions regarding sustainability | Chairperson: CEO, Asahi Group Holdings, Ltd. Committee members: <ul style="list-style-type: none"> Executive officer in charge of sustainability and division heads of relevant sections, Asahi Group Holdings, Ltd. Regional Headquarters: CEO and executive officer in charge of sustainability | Annually |
| Sustainability Execution Conference | <ul style="list-style-type: none"> Incorporates strategies decided by the Global Sustainability Committee within regional headquarters and operating companies | Chairperson: Head of Sustainability Section, Asahi Group Holdings, Ltd. Members: <ul style="list-style-type: none"> Regional Headquarters: Executive officer in charge of sustainability and division heads of relevant departments | Twice a year (semiannually) |
| Sustainability Task Force (each material issue) | <ul style="list-style-type: none"> Concrete examination and promotion of each material issue | Leader: Persons in charge of material issues in the sustainability and related function divisions of Asahi Group Holdings, Ltd. Members: <ul style="list-style-type: none"> Persons in charge of material issues in Asahi Group Holdings, Ltd. and in related departments Persons in charge of material issues in Regional Headquarters | As necessary |

Achievements in 2022

| Organization | Month | Main Items |
|-------------------------------------|--------------------------|--|
| Global Sustainability Committee | November | <ul style="list-style-type: none"> Discussion regarding and adoption of community strategy Discussion regarding trajectory of responsible drinking initiatives |
| Sustainability Execution Conference | March | <ul style="list-style-type: none"> Roadmap to 2030 for achieving December 2021 Global Sustainability Committee resolution to reach 100% eco-friendly materials in PET bottles Discussion regarding actualization of key policies |
| | September | <ul style="list-style-type: none"> Discussion regarding community strategies Sharing progress on actualization of key policies |
| Sustainability Leader Conference* | June, July, and November | <ul style="list-style-type: none"> Discussion regarding establishment of Asahi Carbon Zero targets Discussion regarding community strategies and targets Sharing engagement |
| Sustainability Task Force | Environment | April, July, and October <ul style="list-style-type: none"> Discussion regarding initiatives for climate change, plastic issues, etc. Sharing progress on the 2022 Plan |
| | Communities | April, June, and September <ul style="list-style-type: none"> Discussion regarding worldwide community support activities Discussion regarding community strategies |
| | Responsible Drinking | February, April, June, August, October, and December <ul style="list-style-type: none"> Sharing global trends Discussion regarding external communication and employee awareness training |

* Conducted to complement discussions at the Sustainability Execution Conference

► Governance



Board of Directors Sustainability Discussion

The Asahi Group Board of Directors also focuses discussion on the sustainability strategy, one of the core strategies within the Medium- to Long-Term Management Policy. The Corporate Strategy Board deliberates on strategies and targets discussed by the Global Sustainability Committee, makes reports to the Board of Directors, and monitors progress. Furthermore, the CEO from each Regional Headquarters (RHQ) reports to the Board of Directors regarding specific sustainability initiatives and progress in each region twice a year.

Sustainability Topics from the Most Recent Board of Directors Report

| | Items | Content |
|------------------------|---|--|
| December 2021 | Initiatives around respect for human rights | Human rights due diligence initiatives for suppliers and employees |
| March 2022, March 2023 | Initiatives toward the TCFD recommendations | Climate change risks and opportunities, financial impact as identified by scenario analysis |
| July 2022 | Integration of sustainability into management | Specific initiatives and future challenges regarding the environment, communities, and human rights toward the integration of sustainability into management |

Board of Directors Sustainability Skills and Abilities

Asahi Group Holdings, Ltd. ensures that its Board consists of persons who have the wealth of experience, excellent insight, and expertise, in accordance with the Asahi Group Holdings, Ltd. Board of Directors Skill Matrix.

By formulating the Board of Directors Skill Matrix, which clarifies the personal requirements of corporate officers based on the Asahi Group Philosophy (AGP) and management strategies, we seek to ensure balance and diversity across the entire Board of Directors in terms of knowledge, experience, and ability. The company sees these qualities as necessary to realize sustainable growth and increase corporate value over the medium to long term.

Within this matrix, “sustainability” is included as a decision-making skill, which is defined as “the ability to provide leadership for the creation of social impact through the business” and “the ability to provide direction for management rooted in knowledge and insight on ESG.” This includes experience overseeing key sustainability initiatives such as responding to climate change, adopting sustainable packaging, and realizing sustainable communities through the creation of people-to-people connections, as well as the necessary experience in the Alcohol Beverages Business to address challenges like reducing inappropriate drinking, and solving alcohol-related issues through the creation of new drinking opportunities.

Related Information Corporate Governance Report

Board of Directors Skill Matrix

| | Decision-Making Skills | | | | Supervisory Skills | | | |
|------------------------|------------------------|--------|----------------|----------------------|--------------------|---------|-------------------|---------------------------|
| | Long-term strategy | Global | Sustainability | Discontinuous growth | Senior leadership | Finance | Risk & Governance | Human resources & Culture |
| Akiyoshi Koji | ○ | | ○ | ○ | ○ | ○ | | ○ |
| Atsushi Katsuki | ○ | ○ | ○ | ○ | ○ | ○ | | |
| Keizo Tanimura | | ○ | ○ | | | | ○ | ○ |
| Kaoru Sakita | ○ | ○ | | ○ | | ○ | | |
| Christina L. Ahmadjian | | ○ | ○ | | | | ○ | ○ |
| Kenichiro Sasae | ○ | ○ | | | ○ | | ○ | |
| Tetsuji Ohashi | ○ | ○ | | ○ | ○ | ○ | | |
| Mari Matsunaga | | | | ○ | ○ | | ○ | ○ |

Note: The Board of Directors Skill Matrix lists the skills that directors are expected to exhibit for their roles, and does not represent all the knowledge and experience possessed by each director.

Skills Defined within the Board of Directors Skill Matrix

| | Skill | Definition |
|------------------------|---------------------------|---|
| Decision-Making Skills | Long-term strategy | <ul style="list-style-type: none"> Ability to assess societal changes over the long term and the ultra-long term Ability to guide according to strategy informed by backcasting from an envisioned future |
| | Global | <ul style="list-style-type: none"> Ability to make decisions from a global perspective and frame of reference Ability to optimize a blend of local and global |
| | Sustainability | <ul style="list-style-type: none"> Ability to provide leadership for the creation of social impact through the business Ability to provide direction of management rooted in knowledge and insight on ESG |
| | Discontinuous growth | <ul style="list-style-type: none"> Ability to transform the business structure and earnings model Ability to encourage innovation and explore new areas of business |
| Supervisory Skills | Senior leadership | <ul style="list-style-type: none"> Ability to accurately assess the status of business execution and raise related issues Ability to evaluate business execution by leadership team |
| | Finance | <ul style="list-style-type: none"> Ability to grasp the state of management from performance and management indices and to raise related issues Ability to grasp the state of resource allocation and to raise related issues |
| | Risk & Governance | <ul style="list-style-type: none"> Ability to grasp the state of risk control and to raise related issues Ability to grasp the state of governance in place for business execution and raise related issues |
| | Human resources & Culture | <ul style="list-style-type: none"> Ability to evaluate the status of diverse human resources being able to demonstrate their capabilities Ability to grasp the state of corporate culture and raise related issues |

► Governance



Incorporating Social Value Indicators (Sustainability Indicators) into Director Remuneration

Asahi Group Holdings, Ltd. has designed a remuneration system to incentivize directors to strive to achieve the AGP and realize the integration of sustainability into management. Director remuneration is set in accordance with a resolution at a meeting of the Board of Directors and within the total amount for remuneration determined in advance at the General Meeting of Shareholders. When remuneration-related resolutions are being made by the Board of Directors, the Compensation Committee evaluates the content of said resolutions in the interest of greater transparency and objectivity through fair processes.

As an advisory body to the Board of Directors, the Compensation Committee, which is made up of a majority of Outside Directors and has an Outside Director as its head, utilizes objective external data as needed to ensure fair decision-making related to director remuneration.

Remuneration for company directors comprises basic remuneration, bonuses (annual and medium-term), and stock compensation. Remuneration for Outside Directors consists solely of basic remuneration. Bonuses for medium-term company directors paid every three years are structured so that 40% of business performance indicators are social value indicators. We select areas which include important factors the Group should address based on their impact on key sustainability strategy policies as well as business and society, and utilize these areas as social value indicators.

Specifically, we have selected five key initiatives for our sustainability strategy along with the five areas of diversity, equity and inclusion initiatives that seek to enhance human capital in order to strengthen the Group's strategic foundation as part of the Medium- to Long-Term Management Policy. (Two key initiatives tied to the material issue of responsible drinking are set as one area.)

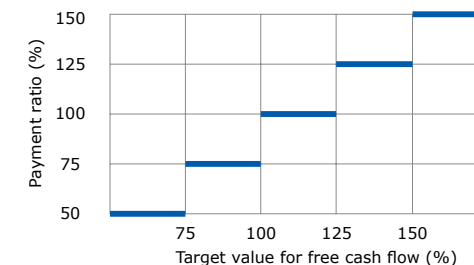
Each of these indicators is linked to KPIs in medium-term business plans and weighted according to area. Decisions are made based on a comprehensive evaluation of the progress and achievement status for each indicator, taking into account the weight and degree of goal achievement within a 50 to 150% range.

Performance Coefficient and KPI for Medium-Term Bonus and Individual Evaluation Coefficient

Individual payment amount =
 Role-specific basic remuneration × Performance coefficient
 (Payment ratio for financial value indicators × 60% +
 Payment ratio for social value indicators (sustainability indicators) × 40%) × Individual evaluation coefficient

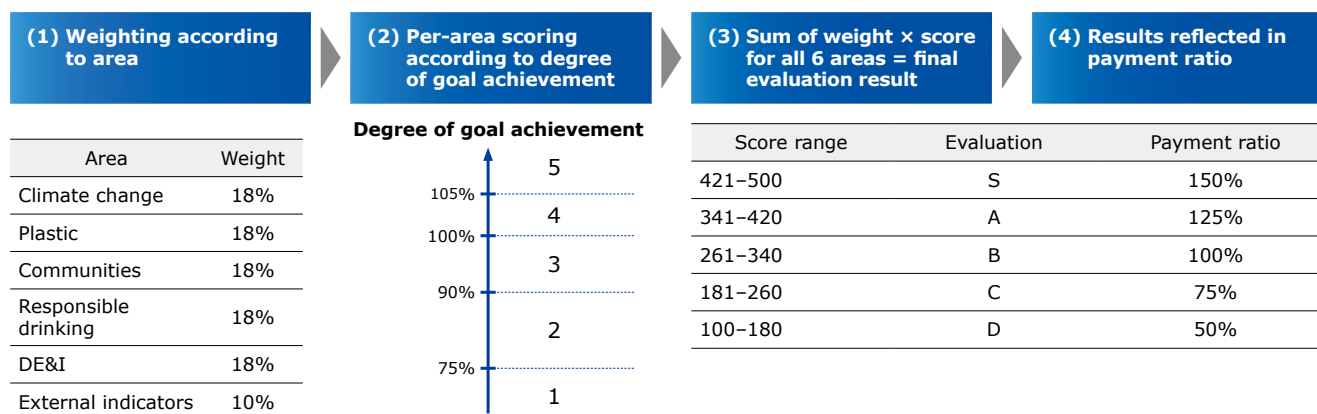
Note: The individual evaluation coefficient comprehensively evaluates each individual's contributions to enhancing the effectiveness of the Board of Directors as a director as well as their business execution performance as an executive director. Set at 100% when targets are met, fluctuates within a range from 70 to 130%.

Payment Ratio for Financial Value Indicators



Notes:
 1 Set as a KPI that is linked to KPIs in medium-term business plans and that aims to enhance cash flow management
 2 Set at 100% when targets are met, fluctuates with a range from 50 to 150%

Payment Ratio Assessment Methodology for Social Value Indicators



► Governance



Social Value Indicator (Sustainability Indicator) Achievements

| Area | 2022 Target | 2022 Achievements | Target Achievement Rate | Weight | Score | Result |
|-----------------------------|---|--|-------------------------|--------|-------|--------|
| Climate change | Reduce Group CO ₂ Scope 1, 2 emissions by 28% compared with 2019 | -30% (Actual results based on final data) | 105% and More | 18% | 5 | 90 |
| Plastic | Use eco-friendly materials in 24% of PET bottles | 21% (Actual results based on final data) | 90-100% | 18% | 3 | 54 |
| Communities | Formulate a community strategy | <ul style="list-style-type: none"> • Within the Global Sustainability Committee, adopted community strategy • Established sustainable agricultural industry as a key activity and presented metrics trajectory • Established community support as a basic activity | 100-105% | 18% | 4 | 72 |
| Responsible drinking | Enhance global communication to reduce inappropriate drinking | <ul style="list-style-type: none"> • Co-created toolkits with each RHQ to facilitate employee-led responsible drinking education • Promoted non- and low-alcohol drinks • Held a responsible drinking workshop at a global summit aiming to foster the next generation of leaders • Slight underachievement of IARD Digital Guiding Principles (95%) | 90-100% | 18% | 3 | 54 |
| DE&I | Formulate a medium- to long-term strategy for DE&I | <ul style="list-style-type: none"> • Completed formulation of DE&I medium- to long-term strategy • Launched and began operating a council along with global and RHQ • Held various events and workshops to promote DE&I | 100-105% | 18% | 4 | 72 |
| External indicators | Achieve targets for external indicators | Achieved targets—CDP: Climate Change A, Water Security A-; FTSE score: 4.5; MSCI: AA, etc. | 100-105% | 10% | 4 | 40 |

2022 overall assessment: 382 total points/A grade/125% payment rate

► Risk Management

Enterprise Risk Management

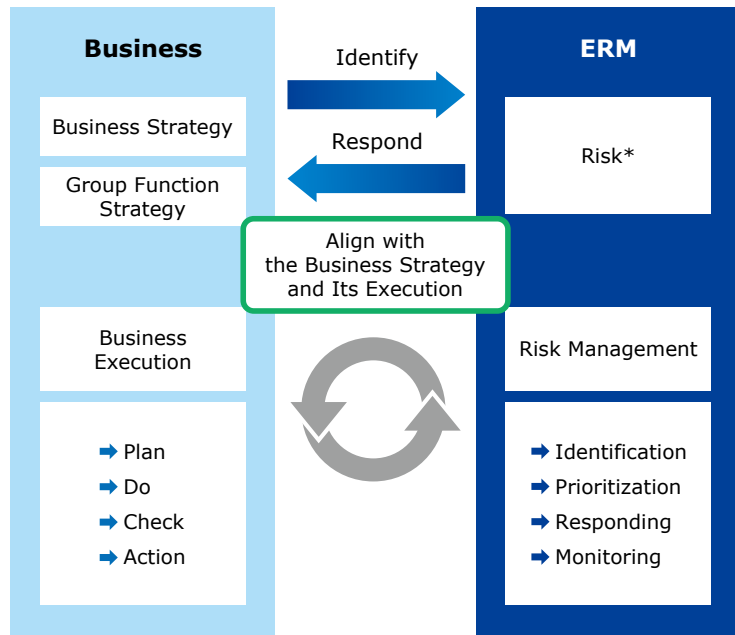
The Asahi Group has introduced enterprise risk management (ERM) for the entire Group. The Asahi Group effectively and efficiently controls its overall risk that could impede execution of strategies and achievement of objectives defined in the Medium- to Long-Term Management Policy based on the AGP through activities such as identifying, prioritizing, responding to, and monitoring critical risks across all areas that include strategy, operations, finance, and compliance on an ongoing basis.

To carry out ERM, a Risk Management Committee was established under our ERM system. The committee's membership consists of the President and Representative Director, other executive directors, and executive committee members nominated by the President and Representative Director. Its ERM activities cover the entire Group, and the President and Representative Director, as head of the Risk Management Committee, bears responsibility for implementing them.

The respective companies of the Asahi Group implement ERM on the basis of each business unit, and report the

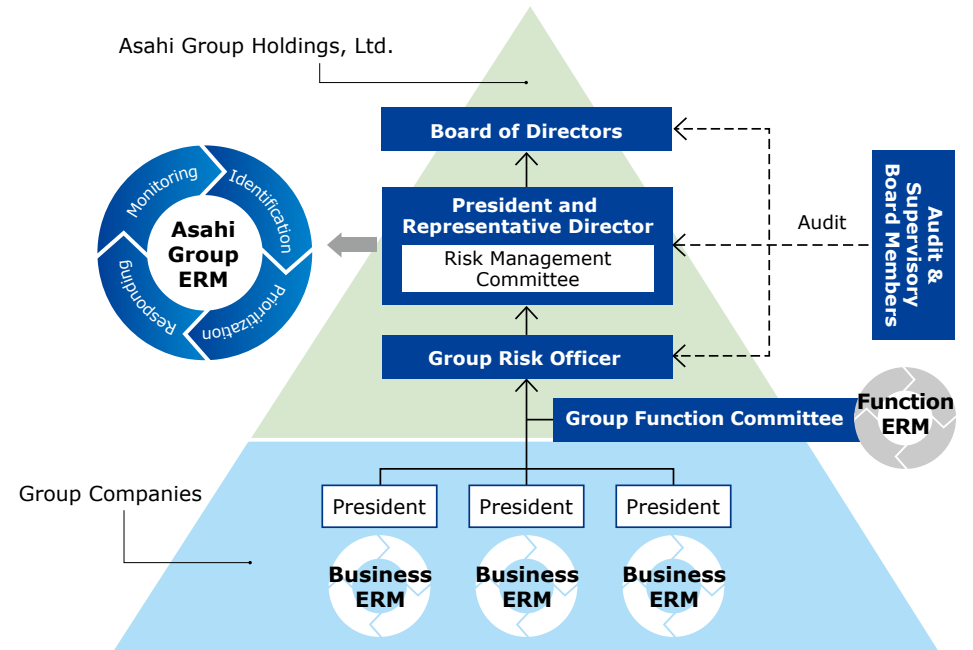
details of the initiatives to the Risk Management Committee of the company. The Committee monitors the initiatives, and critical risks across the Group are identified, prioritized, responded to, and monitored on an ongoing basis by its members. All such initiatives are reported to the Board of Directors, which ascertains the effectiveness of ERM by monitoring the initiatives. Additionally, the activities of the Risk Management Committee and the Board of Directors are independent from those of the Audit and Supervisory Board, and thus subject to audits performed by Audit and Supervisory Board Members.

Asahi Group Enterprise Risk Management



* Definition: The effect of uncertainty on the ability of the Asahi Group to achieve the strategic objectives defined in the Medium- to Long-Term Management Policy based on the AGP
 Note: Asahi Group ERM is based on the ISO 31000 international standard for risk management and the COSO ERM integrated framework of the Committee of Sponsoring Organizations of the Treadway Commission.

Asahi Group ERM Structure



► Risk Management



Crisis Management

Of the material risks for the entire Asahi Group identified through ERM, "Crisis management" covers areas where there is a risk of blockage of management resources, such as people, objects, money, information, etc. and the Group "responds immediately." In order to enhance the effectiveness of crisis management, an "Immediate response system for emergencies" has been established to quickly respond without confusion in times of crisis

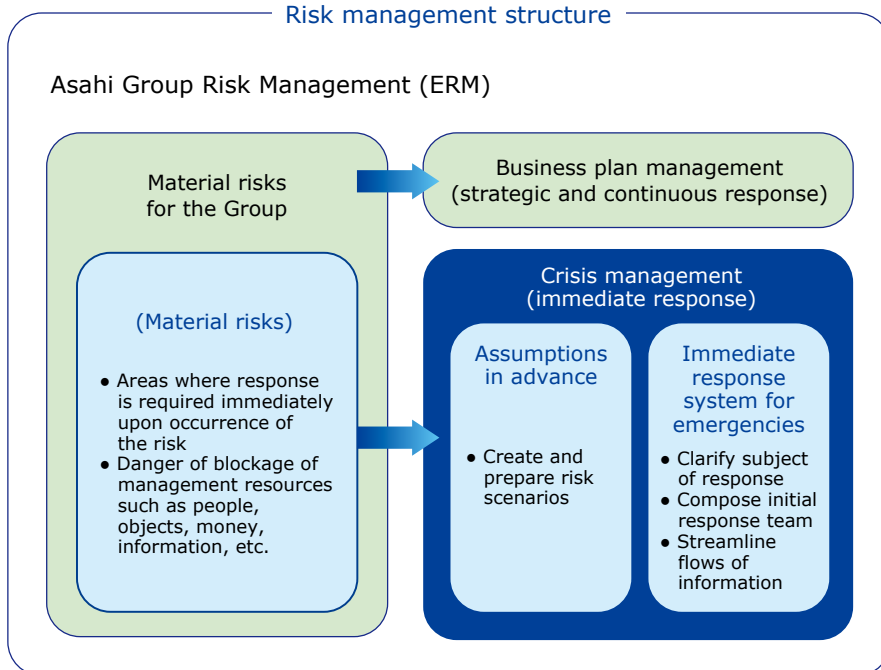
by making "Assumptions in advance" even in ordinary times. Preparation of "risk scenarios" that assume a risk of blockage of management resources and responses to such situations is underway.

In addition, we have established a system to quickly respond to emergencies by clarifying in advance who will respond according to the type of crisis. Facts will be promptly verified and their seriousness promptly assessed when taking initial actions in the event of a crisis.

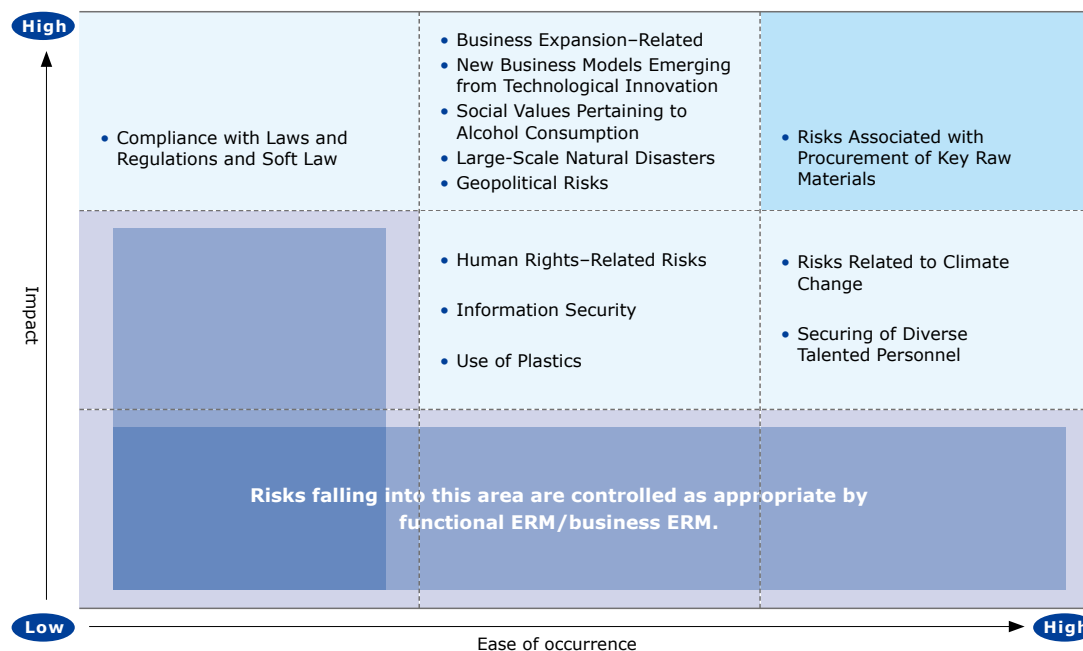
Principal Risks

The Asahi Group's Risk Management Committee identifies especially large risks that could endanger the Group's ability to carry out business operations or attain the objectives set out in the Medium- to Long-Term Management Policy, recognizing these as "individual strategic risks." The committee also recognizes "overall risks" relating to the Medium- to Long-term Management Policy or business environment, along with "other risks" relating to quality, finance, taxation, and litigation.

Risk management structure



Individual Strategic Risk Heat Map



► Metrics and Targets



2023 Metrics and Targets

| Theme | Organizations | Metrics and Targets (As of 2023) | SDGs (Contributable Goals and Targets) | |
|---------------------------------|--|---|---|----------------|
| Environment | Entire Group (AB, ASD, AGS, AEI, AHA, AHSEA) | Reduce our CO ₂ emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral by 2050 | 7.2/7.3/13.1/13.2 | |
| | Consolidated Group (AGJ, AEI, AHA, AHSEA) | Reduce CO ₂ emissions by 70% in Scope 1 and 2 by 2030 (compared with 2019) | | |
| | Consolidated Group (AGJ, AEI, AHA, AHSEA) | Reduce CO ₂ emissions by 40% in Scope 1 and 2 by 2025 (compared with 2019) | | |
| | Consolidated Group (AB, ASD, AGS, AEI, AHA, AHSEA) | Reduce CO ₂ emissions by 30% in Scope 3 by 2030 (compared with 2019) | | |
| | AGJ | Use renewable energy for 100% of electricity purchased at all manufacturing sites by 2025 | | |
| | AGJ | Reduce CO ₂ emissions every year by 1% or more over the previous year | | |
| | AEI | Carbon neutral in AEI breweries by 2030 | | |
| | AEI | 100% renewable electricity in our breweries by 2025 | | |
| | AHA | Reduce Scope 1 and 2 CO ₂ emissions in our operations by 50% by 2025 (compared with 2019) | | |
| | AHA | 100% of our purchased electricity to be sourced from or matched with renewable sources by 2025 | | |
| | AHSEA | Reduce CO ₂ emissions in Scope 1 and 2 by 50% by 2030 (compared with 2019) | | |
| | Sustainable Packaging | Entire Group (AB, ASD, AHA, AHSEA)* ¹ | Realize 100% utilization of materials for plastic containers that can be used effectively by 2025* ² | 12.4/12.5/14.1 |
| | | Entire Group (ASD, AEI, AHA, AHSEA)* ¹ | Achieve 100% conversion to eco-friendly materials for PET bottles by 2030* ³ | |
| | | Entire Group* ¹ | Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers | |
| | | AGJ | Achieve sales target for unlabeled bottles (117% YOY increase in 2023) (Target: Asahi Soft Drinks Co., Ltd.) | |
| | | AEI | By 2030, AEI will use only containers, as well as secondary packaging that is reusable or fully recyclable, and made chiefly from recycled content | |
| | | AEI | 25% plastics reduction in AEI by 2030 (compared with 2019 baseline) | |
| | | AHA | Increase the amount of recycled content used in our glass bottles and aluminum cans to on avg. majority (>50%) recycled content by 2030 | |
| | AHSEA | Use recycled materials in 30% of PET bottles by 2025 | | |
| | Sustainable Agricultural Raw Materials | AGJ | Achieve 1,900 tons purchase of RSPO-certified palm oil in 2023 (Book and Claim certification system) (50% of total expected purchases) | 2.4/12.2 |
| | Sustainable Water Resources | Consolidated Group (AB, ASD, AEI, AHA, AHSEA) | Reduce water intensity to 3.2 m ³ /kl or less by 2030 through streamlining of water usage and expansion of recycling system | 6.4/6.6 |
| | | AEI | By 2030, AEI to reach an average consumption in Europe of 2.75 liters of water per liter of beer brewed Spend less than 3 liters of water to brew a liter of beer in every single brewery we operate in Europe | |
| | | AHA | Reduce water use at our key manufacturing sites by 2030 to just 2.19 liters per liter of beverage we produce | |
| Entire Group | | Regular implementation of a water risk survey to ensure the sustainability of our water resources (Survey frequency: Once every five years) | | |
| Other Environmental Initiatives | Entire Group (AGJ, AEI, AHA, AHSEA) | Achieve zero landfill waste at our manufacturing sites by 2030 | 2.4/12.2/12.5 | |
| | AGJ | Maintain the 100% recycling rate for all by-products and waste | | |

Note: Abbreviations stand for the following operating companies. AGH: Asahi Group Holdings, Ltd., AGJ: Asahi Group Japan, Ltd., AB: Asahi Breweries, Ltd., ASD: Asahi Soft Drinks Co., Ltd., AGS: Asahi Group Foods, Ltd., AEI: Asahi Europe and International Ltd., AHA: Asahi Holdings (Australia) Pty Ltd., AHSEA: Asahi Holdings Southeast Asia Sdn. Bhd.

► Metrics and Targets



| Theme | | Organizations | Metrics and Targets (As of 2023) | SDGs (Contributable Goals and Targets) |
|----------------------|--|--|---|--|
| Communities | Realize Sustainable Communities through the Creation of People-to-People Connections | Entire Group | Aim to improve the well-being of agricultural producers through connections (co-creation) with stakeholders under the key activity of sustainable agriculture | |
| | | Entire Group | Under the basic activity of community support activities, all RHQ participate in implementing our global initiative of RE:CONNECTION for the EARTH | 2.4/11.a/17.16/17.17 |
| | | AGJ | Conduct cross-group community support activities related to the regional environment twice a year | |
| | | AHSEA | Conduct community participation programs at each business unit twice a year | |
| Responsible Drinking | Reduction in Inappropriate Drinking | Entire Group (AGJ, AEI, AHA) | Achieve 100% participation rate of employees in at least one training program by 2023 | |
| | | Entire Group | Achieve 100% compliance with IARD Digital Guiding Principles by 2024 | |
| | | Entire Group | Display age restrictions on alcohol consumption on all products under alcohol beverage brands (including non-alcohol beverages sold under that brand) by 2024 | 3.5 |
| | Solution of Alcohol-related Issues through Creation of New Drinking Opportunities | Consolidated Group | Achieve 15% sales composition ratio of non-alcohol and low-alcohol beverages to major alcohol beverage products*4 by 2025 | |
| | | AGJ | Achieve 20% non-alcohol and low-alcohol sales composition ratio by 2025 | |
| | | AEI | Achieve 20% share of non-alcoholic products in our portfolio by 2030 | |
| Health | Create Value of Health | AHA | Plan to achieve 30% non-alcohol and low-alcohol sales composition ratio across beer portfolio by 2025 | |
| | | AGJ | Achieve sales targets for Foods for Specified Health Uses, Foods with Functional Claims, and healthcare products*5 | |
| | | AGJ | Achieve sales targets for the low-volume series,*6 which advertises value of health | 3.2/3.4 |
| Human Rights | Respect for Human Rights | AHSEA | Maintain the quantity of added sugar contained in 70% of RTD products in Malaysia to 5 g or less per 100 ml | |
| | | AGH | Implement human rights education for employees twice a year | 8.5/8.7/8.8/10.2 |
| Human Capital | Safety and Well-being | AGJ | Achieve 100% participation rate in the seminar for managers, seminar for supervisors, and training for employees, which are all intended for plant employees (Target: AB) | |
| | | AGJ | Achieve 100% stress check implementation rate | 3.4/8.5/8.8 |
| | | AGJ | Achieve 98% rate for special health checkups by 2023 | |
| | | AGJ | Achieve 45% rate for the implementation of guidance on lifestyle diseases by 2023 | |
| | Everyone Matters: Diversity, Equity and Inclusion | Entire Group (AGH, AGJ, AEI, AHA, AHSEA) | Increase the percentage of female representation of leadership positions to 40% or more by 2030 | 5.1/5.5/10.2/10.3/10.4 |
| Other Issues | Growth through Learning | AGH | Achieve the following targets for the numbers of participants in training programs: <ul style="list-style-type: none"> • LEAD (a program to develop business leaders in Japan): 80 • Global Leadership Development Program (a program to develop global business leaders): 20 • One Young World (an external training program focused on resolving global issues): 15 | 8.5 |
| | | AGH | Reassess the Asahi Group Supplier Code of Conduct to enhance commitment, and determine a revision proposal in 2023 | 2.3/2.4/12.6/12.7 |
| Other Issues | Secure Food Safety and Reliability | Entire Group | Achieve zero quality accidents*7 | 3.2/3.4 |
| | | AHSEA | Acquire FSSC 22000 certification for all manufacturing sites by 2024 | |

*1 Targeted plastic containers: PET bottles, plastic bottles, caps used for PET and plastic bottles, certain plastic containers, and plastic cups (used for sales), etc. *2 Effective use: Reusable, recyclable, compostable, thermal recyclable, etc. *3 Eco-friendly materials: Recycled materials, biomass materials, etc. *4 Beer-type beverages, RTDs, non-alcohol beverages *5 Target products: *Karada Calpis®Bio*, *Asahi JUROKUCHA Tou to Shibou ni Hataraku*, etc. *6 Target products: *Todoku Tsuyosa-no Nyusankin*, *Mamoru Hataraku Nyusankin*, etc. *7 Quality accidents indicate the number of product recalls made public through a newspaper announcement or on our website, on the grounds of a violation of the related regulations and voluntary rules specified in GRI Standards 416-2 and 417-2.

► Metrics and Targets



2022 Achievements

| Theme | Organizations | Metrics and Targets (As of 2022) | 2022 Achievements | |
|-------------|---|--|--|---|
| Environment | Entire Group (AB, ASD, AEI, AHA, AHSEA) | Reduce our CO ₂ emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral by 2050 | Actual Scope 1, 2, and 3 emissions: 8,914 kt-CO ₂ | |
| | Consolidated Group (AGJ, AEI, AHA, AHSEA) | Reduce CO ₂ emissions by 70% in Scope 1 and 2 by 2030 (compared with 2019) | Actual Scope 1 and 2 emissions: 686 kt-CO ₂ , 30% reduction compared with 2019 | |
| | Consolidated Group (AB, ASD, AEI, AHA, AHSEA) | Reduce CO ₂ emissions by 30% in Scope 3 by 2030 (compared with 2019) | Actual Scope 3 emissions: 8,328 kt-CO ₂ , 5% reduction compared with 2019 | |
| | AGJ | Use renewable energy for 100% of electricity purchased at all manufacturing sites by 2025 | Ratio of renewable energy to all electricity purchased at manufacturing sites: 83% | |
| | AGJ | Reduce CO ₂ emissions every year by 1% or more over the previous year | Actual Scope 1 and 2 emissions: 341 kt-CO ₂ , 15% YOY reduction | |
| | AEI | Carbon neutral in AEI breweries by 2030 | Actual Scope 1 and 2 emissions from breweries: 139 kt-CO ₂ , 54% reduction compared with 2019 | |
| | AEI | 100% renewable electricity in our breweries by 2025 | Ratio of renewable electricity used at breweries: 65% | |
| | AHA | Reduce Scope 1 and 2 CO ₂ emissions in our operations by 50% by 2025 (compared with 2019) | Actual Scope 1 and 2 emissions: 168 kt-CO ₂ , 11% increase compared with 2019 | |
| | AHA | Shift to 100% renewable energy for the electricity used in Australia and New Zealand by 2025 | Ratio of renewable energy to all electricity used in Australia and New Zealand: 9% | |
| | AHSEA | Reduce CO ₂ emissions in Scope 1 and 2 by 20% by 2030 (compared with 2019) | Actual Scope 1 and 2 emissions: 38 kt-CO ₂ , 29% reduction compared with 2019 | |
| | Respond to Climate Change | Entire Group (AB, ASD, AHA, AHSEA) | Realize 100% utilization of materials for plastic containers that can be used effectively by 2025* ¹ | Actual rate of use: 99% (The approach to effective utilization differs by country) |
| | | Entire Group (ASD, AEI, AHA, AHSEA) | Achieve 100% conversion to eco-friendly materials for PET bottles by 2030* ² | Actual rate of use: 21% |
| | | Entire Group | Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers | <ul style="list-style-type: none"> Increased sales of unlabeled bottles in Japan Switched plastic shrink film packaging to corrugated boxes in Europe and Australia Asahi You. Us, Ltd. in Japan reduced amount of single-use plastic cups used at sports facilities and events through promoting reusable cup "Tumbler in the Forest" |
| | | AGJ | Achieve sales target for unlabeled bottles (109% YOY increase in 2022) (Target: Asahi Soft Drinks Co., Ltd.) | Actual rate of sales target achievement: 134% (YOY: 149%) |
| | | AEI | By 2030, AEI will use only containers, as well as secondary packaging that is reusable or fully recyclable, and made chiefly from recycled content | Actual rate of use: 97% |
| | | AEI | 25% plastics reduction in AEI by 2030 (compared with 2019 baseline) | 21% reduction compared with 2019 |
| | | AHSEA | Use recycled materials in 30% of PET bottles by 2025 | Actual rate of use: 0% Promote participation in external initiatives toward the start of activities |
| | Sustainable Packaging | AGJ | Raise the ratio of palm oil purchased from RSPO-certified suppliers to 50% in 2022 (Book and Claim certification system)* ³ | Actual rate of purchase: 48% |
| | Sustainable Agricultural Raw Materials | | | |

► Metrics and Targets



| Theme | | Organizations | Metrics and Targets (As of 2022) | 2022 Achievements |
|----------------------|--|---|--|--|
| Environment | Sustainable Water Resources | Consolidated Group (AB, ASD, AEI, AHA, AHSEA) | Reduce water intensity to 3.2 m ³ /kl or less by 2030 through streamlining of water usage and expansion of recycling system | Actual water intensity: 3.4 m ³ /kl |
| | | AEI | By 2030, AEI to reach an average consumption in Europe of 2.75 liters of water per liter of beer brewed. Spend less than 3 liters of water to brew a liters of beer in every single brewery we operate in Europe. | Actual water intensity: 2.92 L |
| | | AHA | Reduce water use at our key manufacturing sites by 2030 to just 2.19 liters per liter of beverage we produce | Actual water intensity: 2.23 L |
| | | Entire Group | Regular implementation of a water risk survey to ensure the sustainability of our water resources (Survey frequency: Once every five years) | Number of manufacturing sites surveyed for water risk: 18 (All major sites planned to be surveyed by 2024) |
| | | AGJ | Maintain water neutrality at our breweries in Japan through the utilization of Asahi Forest | The groundwater recharge amount in Asahi Forest is 1.1 times the water consumption at our breweries in Japan |
| | Other Environmental Initiatives | Entire Group (AGJ, AEI, AHA, AHSEA) | Achieve zero landfill waste at our manufacturing sites by 2030 | Actual rate of landfill waste: 2% |
| | | AGJ | Maintain the 100% recycling rate for all by-products and waste | Actual recycling rate: 100% |
| Communities | Realize Sustainable Communities through the Creation of People-to-People Connections | Entire Group | <ul style="list-style-type: none"> Focus on “food,” “regional environment,” and “disaster relief” Support regional agriculture, which is the foundation of food and has a significant impact on the regional environment, to preserve it for future generations; strengthen community connections through employee participation in solving social issues in the community | Conduct “RE:CONNECTION for the EARTH” in June with all RHQs participating |
| | | AGJ | Create opportunities for employees to participate in community support activities by launching a common platform for operating companies in Japan | Launch “Guru-guru Asahi,” a portal site for community support activities, in February |
| | | AGJ | Achieve 2022 target for the number of original regional co-creation measures implemented by business units (Target: ASD) | Conduct 22 projects vs. 8 planned. Actual rate of target achievement: 275% |
| | | AHSEA | Conduct community programs at each business unit twice a year | Number of implementations: 46 |
| Responsible Drinking | Reduction in Inappropriate Drinking | Entire Group (AGJ, AEI, AHA) | Achieve 100% participation rate of employees in at least one training program by 2023 | Planned to start globally in 2023 (Actual participation rate in Japan: 93%) |
| | | Entire Group | Achieve 95% compliance with IARD Digital Guiding Principles by 2022 | Actual compliance rate: 77% |
| | | Entire Group | Display age restrictions on alcohol consumption on all products under alcohol beverage brands (including non-alcohol beverages sold under that brand) by 2024 | Group-wide efforts are in progress toward target achievement (Actual labeling rate in Japan: 100%) |
| | Solution of Alcohol-related Issues through Creation of New Drinking Opportunities | Consolidated Group | Achieve 15% sales composition ratio of non-alcohol and low-alcohol beverages to major alcohol beverage products*4 by 2025 | Actual sales composition: 10% |
| | | AGJ | Achieve 20% non-alcohol and low-alcohol sales composition ratio by 2025 | Actual sales composition: 8% |
| | | AEI | Achieve 20% share of non-alcoholic products in our portfolio by 2030 | Actual sales composition: 6% |
| | | AHA | Achieve 30% non-alcohol-beer and low-alcohol-beer sales composition ratio across beer portfolio by 2025 | Actual sales composition: 27% |

► Metrics and Targets



| Theme | | Organizations | Metrics and Targets (As of 2022) | 2022 Achievements |
|---------------|---|--|--|---|
| Health | Create Value of Health | AGJ | Achieve sales targets for Foods for Specified Health Uses, Foods with Functional Claims, and healthcare products*5 | Actual rate of sales target achievement: 99% (YOY: 113%) |
| | | AGJ | Achieve sales targets for the 100 ml series, which advertises value of health*6 | Actual rate of sales target achievement: 110% (YOY: 145%) (In 2022, launched the 200 ml series) |
| Human Rights | Respect for Human Rights | AGH | Complete a round of the human rights due diligence process at suppliers by 2022 | Progress against targets as planned. In 2022, as in the previous year, online field surveys conducted with primary suppliers based on the results of the Supplier conducted CSR Questionnaire. Interviews and desk research conducted with relevant stakeholders and NGOs in crop growing areas identified as high risk through modern slave risk analysis. |
| | | AGH | Implement human rights training for employees twice a year | Number of implementations: twice |
| Human Capital | Safety and Well-being | AGJ | Achieve 100% participation rate in the seminar for managers, seminar for supervisors, and training for employees, which are all intended for plant employees (Target: AB) | Actual participation rate: 100% |
| | | AGJ | Achieve 100% stress check implementation rate | Actual implementation rate: 96% |
| | | AGJ | Achieve 98% rate for special health checkups by 2023 | Actual rate: 98% |
| | | AGJ | Achieve 45% rate for the implementation of guidance on lifestyle diseases by 2023 | Actual rate: 35% |
| | Everyone Matters: Diversity, Equity and Inclusion | Entire Group (AGH, AGJ, AEI, AHA, AHSEA) | Increase the percentage of female representation of leadership positions to 40% or more by 2030 | Ratio of women holding managerial positions: 27% |
| | Growth through Learning | AGH | Achieve the following targets for the numbers of participants in training programs: <ul style="list-style-type: none"> LEAD (a program to develop business leaders in Japan): 80 Global Leadership Development Program (a program to develop global business leaders): 20 One Young World (an external training program focused on resolving global issues): 15 | Number of participants in LEAD: 84 Number of participants in Global Leadership Development Program: 37 Number of participants in One Young World: 30 |
| Other Issues | Realize Sustainable Supply Chains | AGH | Conduct 12 on-site interviews based on the supplier CSR questionnaire | Number of implementation: 9 (Conducted online) |
| | Secure Food Safety and Reliability | Entire Group | Achieve zero quality accidents*7 | Actual number of quality accidents: 1 |
| AHSEA | | Acquire FSSC 22000 certification for all manufacturing sites by 2024*8 | 3 out of 4 manufacturing sites acquired FSSC 22000 certification | |

Note: Abbreviations stand for the following operating companies.

AGH: Asahi Group Holdings, Ltd., AGJ: Asahi Group Japan, Ltd., AB: Asahi Breweries, Ltd., ASD: Asahi Soft Drinks Co., Ltd., AEI: Asahi Europe and International Ltd., AHA: Asahi Holdings (Australia) Pty Ltd., AHSEA: Asahi Holdings Southeast Asia Sdn. Bhd.

*1 Effective use: Reusable, recyclable, compostable, thermal recyclable, etc. *2 Eco-friendly materials: Recycled materials, biomass materials, etc. *3 The method for calculating the actual results was revised in 2021. *4 Beer-type beverages, RTDs, non-alcohol beverages *5 Target products: *Karada Calpis®Bio*, *Asahi JUROKUCHA Tou to Shibou ni Hataraaku*, etc. *6 Target products: *Todoku Tsuyosa-no Nyusankin*, *Mamoru Hataraaku Nyusankin*, etc. *7 Quality accidents indicate the number of product recalls made public through a newspaper announcement or on our website, on the grounds of a violation of the related regulations and voluntary rules specified in GRI Standards 416-2 and 417-2. *8 Revised in 2022



The Management Foundation Underpinning Our Long-term Strategies

Enhancement of Human Capital

As part of the Medium- to Long-Term Management Policy, the Asahi Group has set the goal of further enhancing human capital in order to strengthen the Group's strategic foundations. By doing so, we aim to bolster the effectiveness of our business portfolios and core strategies.

Key Initiatives

▶ Fostering the Ideal Corporate Culture: Safety and Well-being

- ▶ Management
- ▶ Performance
- ▶ Activities

▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion

- ▶ Management
- ▶ Performance
(Status of Employment)
- ▶ Activities

▶ Fostering the Ideal Corporate Culture: Growth through Learning

- ▶ Management
- ▶ Performance
- ▶ Activities

▶ Fostering the Ideal Corporate Culture: Better Together

- ▶ Management

▶ Continuously Fostering Leadership

- ▶ Management

▶ Securing Essential Capabilities

- ▶ Management
- ▶ Activities

► Enhancement of Human Capital



Management

Approach

The Asahi Group has established the Group Human Resources Policy “ People Statement” and strives to create an environment in which diverse employees in each country and region around the world can work healthily and vigorously in a safe workplace, and in which each individual can grow together. We promote a corporate culture of learning that is full of opportunities for individual and team growth and tolerant of mistakes. When hiring people, the only requirements are the knowledge and experience necessary to perform the job; with respect to employee training, evaluation, and treatment, in accordance with the Asahi Group Human Rights Principles, no discrimination is made on the basis of nationality, race, ethnicity, religion, ideology, gender, age, disability, gender identity, sexual orientation, employment status, or any other characteristic protected by the laws and regulations of other countries or regions.

Policies

People Statement

Learning, growing, achieving TOGETHER

There’s a feeling of excitement when you’re growing, learning, doing great work and delivering results. And when we do this together, the magic really happens.

This is how we work at Asahi - We are respectful, trusting, humble and inclusive. This fuels the way we work together, our care for one another and drives our outstanding results.

We connect, we grow, and we chase learning opportunities together - even if they come from mistakes we’ve made; and together we “deliver on our great taste promise and bring more fun to life” which is what we stand for as a global Group.

We care deeply for one another - with our safety and physical & mental well-being always our highest priority.

We unite in our passion for excellence and respect, not just for ourselves and our teams, but also for our customers, our consumers, our communities and our planet.



Safety and Well-being is our biggest priority

- The health, safety and well-being of our people is always our highest priority
- We respect and contribute to the well-being of our planet and the communities in which we live and work



Everyone Matters is our core belief

- We believe that which makes us different makes us a stronger, more innovative organization
- We welcome, respect and celebrate the different cultures, ethnicities, genders and personalities that make up our global family



Growth through Learning individually and collectively

- We thrive in a learning culture, with opportunities for growth individually and in teams, and where knowledge is shared
- We’re okay with not knowing the answer or making mistakes as this fuels our growth and enriches our collective learning



Better together: Collaboration fuels our growth

- We know we’re stronger and more innovative together than we can ever be alone
- Together we share our goals and celebrate our successes

► **Enhancement of Human Capital** ► **Management**

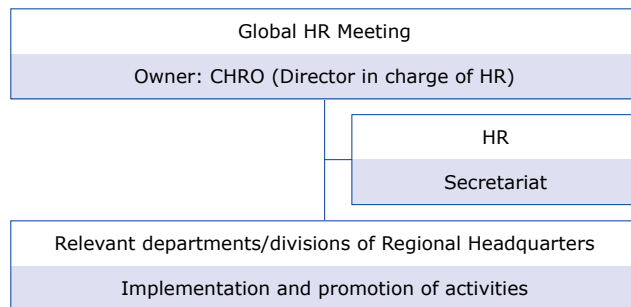


Governance

The Asahi Group implements plans for the management of human resources in cooperation with its Regional Headquarters (RHQ) all over the world. A global HR meeting is held every month to share expertise and address challenges in a cross-functional manner, with the goal of facilitating the improvement of each employee.

At each RHQ, we have established a People Committee that passes resolutions on the appointment of members of the management team, the succession plan, the remuneration package, and other matters. Executives of Asahi Group Holdings, Ltd. participate in the committee either as the chairperson or a member.

Human Resources Management Promotion System



Risk Management

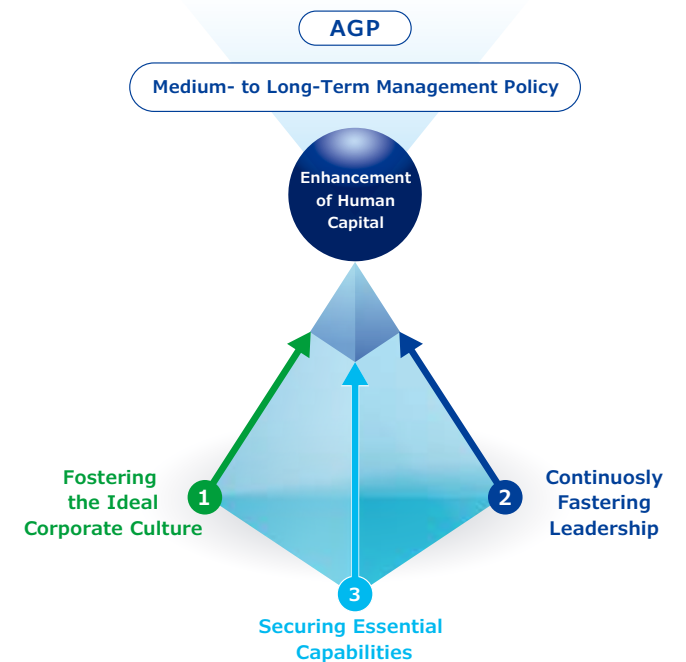
The Asahi Group recognizes the risks of failure to uphold the three pillars of its Medium- to Long-Term Management Policy—"Fostering the ideal corporate culture,"

"Continuously fostering leadership," and "Securing essential capabilities"—preventing the enhancement of human capital and making it difficult for the Group to execute strategies and achieve objectives. Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

At the Asahi Group, we believe it is essential to closely link our human resource strategy with the implementation of the management strategy, and we are formulating our human resource strategy based on three approaches to enhance human capital. We have identified this as one method of reinforcing the management foundation underpinning our long-term strategies.

Under our approach of "Fostering the ideal corporate culture," we will enhance engagement by fostering a corporate culture where employees, who are responsible for implementing strategies, can work in a lively manner. Under "Continuously fostering leadership," we will systematically train managers who lead Group management in the medium- to long-term. Under "Securing essential capabilities," we will acquire and satisfy capabilities vital for implementing our strategies. Through these approaches, we will support a management foundation that will promote the enhancement of corporate value.



► Enhancement of Human Capital ► Management



Using Engagement Surveys to Enhance Human Capital

To foster the ideal corporate culture, it is vital that the Asahi Group improves employee engagement. We periodically conduct engagement surveys to objectively understand the state of the organization and continuously implement measures to clarify specific issues and come closer to the ideal corporate culture. In these surveys, we place particular importance on the score for sustainable engagement,* for which we established numerical targets globally in 2022. As sustainable engagement is an indicator of a desire to contribute to the achievement of targets and a sense of belonging to the organization, we make comprehensive calculations by measuring factors including an understanding of Asahi strategies, the overall productivity of the working environment, and mental and physical health. We understand that there is a correlation between improving this score and business performance and we have adopted it as an indicator, as it is optimal for monitoring the four pillars of our People Statement, which is the cornerstone of fostering our ideal corporate culture. We intend to continue increasing and improving employee engagement with the goal of achieving a score of 82 in 2025, which is equivalent to global food and beverage companies, and 89 in 2029, which is equivalent to global high-performing companies, compared with a score of 79 for the entire Asahi Group in 2021.

* As defined by engagement survey collaborator Willis Towers Watson (WTW).

Sustainable Engagement Score by Region

| | Sustainable Engagement Score | |
|--|------------------------------|------|
| | 2021 | 2022 |
| Asahi Group Holdings, Ltd. | 80 | 82 |
| Asahi Group Japan, Ltd.* | 74 | 73 |
| Asahi Europe and International Ltd.* | 83 | 80 |
| Asahi Holdings (Australia) Pty Ltd.* | 85 | 84 |
| Asahi Holdings Southeast Asia Sdn. Bhd.* | 89 | 87 |
| Entire Group | 79 | 78 |

* Including operating companies under Regional Headquarters

Global Engagement Survey Scores by Category

| Category | Score* ¹ | |
|------------------------------------|---------------------|------------------|
| | 2021 | 2022 |
| 1. Sustainable Engagement | 79 | 78* ² |
| 2. Strategies & Direction | 85 | — |
| 3. Leadership | 73 | — |
| 4. Customer & Quality Focus | 75 | — |
| 5. Innovation | 67 | — |
| 6. Authority & Empowerment | 76 | — |
| 7. Operating Efficiency | 45 | — |
| 8. Collaboration/Communication | 77 | — |
| 9. Immediate Manager | 75 | — |
| 10. Diversity & Inclusion | 78 | — |
| 11. Integrity & Ethics | 78 | — |
| 12. Talent Management | 67 | — |
| 13. Performance Management and Pay | 61 | — |
| 14. Retention | 66 | — |
| 15. Health and Well-being | 75 | — |
| 16. COVID-19 | 74 | — |
| 17. Asahi Group Philosophy | 72 | — |

*1 Percentages of people who picked favorable replies on a scale of five (people who chose "Agree" or "Tend to Agree").

*2 Only Sustainable Engagement scores are available for 2022 due to the adoption of a simplified surveying method called pulse surveys.

Related SDGs



► Enhancement of Human Capital

Activities

Remuneration

Basic Policy on Employee Remuneration

Concerning employee remuneration, Major Asahi Group companies in Japan have a basic policy of handsomely rewarding those who have made achievements by fully exerting their capabilities. With regard to permanent employees, a revised monthly salary based on an individual evaluation of their previous year is given. In addition, a bonus that is linked to the individual's evaluation and performance is provided in June and December. The monthly salary of those in a managerial position is decided based on the role they play, and for general employees, salary is determined based on their qualifications and level of skills. Based on the aforementioned, we make revisions by evaluating each and every employee's performance and behaviors during the annual individual evaluation. We do not engage in discriminatory treatment of women with respect to remuneration by reason of the worker's gender. Furthermore, the aforementioned basic policy is applied to non-permanent employees as well, and their remuneration is based on the individual evaluation.

Employee Salary

Average Annual Employee Salary

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------|------------|------------|------------|------------|------------|
| Average annual employee salary | 10,937,459 | 12,504,083 | 13,251,563 | 11,146,637 | 12,297,579 |

Notes: 1 Scope of aggregation: Asahi Group Holdings, Ltd.
2 Target period: January to December of each year

Corporate Pension Plans

Corporate Pension Plans at the Asahi Group (Group Companies in Japan)

| Plan | Companies that have introduced the plan |
|--------------------------------|---|
| Defined Benefit (DB) plan | Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., West Japan AB Cargo Co., Ltd., and Asahi Beer Communications, Ltd. |
| Defined Contribution (DC) plan | Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., West Japan AB Cargo Co., Ltd., Asahi Draft Marketing, Ltd., Asahi Food Create, Ltd., and Asahi Beer Feed Co., Ltd. |

Note: As of January 2023

Consultation with Workers' Union Council

At the Asahi Group, the Asahi Group Workers' Union Council, organized by the main labor unions of its business companies in Japan, works not only on initiatives with each labor union but also on labor union activities for the entire Group. The labor unions are based on a union-shop agreement, and all general employees are their members. Information exchange meetings with the management team of Asahi Group Holdings, Ltd. are held on a regular basis for communication between companies and labor unions. At the meetings, opinions are exchanged mainly about the sharing of the Group's management plans and proposals and questions from labor unions.

In cases where work changes that will have a substantial impact on employees are made, appropriate measures are taken including setting an appropriate period for prior notice. Going forward, we will endeavor to deepen our mutual understanding by directly discussing plans and directions through such opportunities for dialogue.

Employees Covered by Collective Bargaining Agreements

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------|-------|-------|-------|-------|-------|
| Number of employees | 6,679 | 6,812 | 7,277 | 7,219 | 7,434 |
| Percentage | 56.2% | 62.1% | 64.8% | 65.1% | 65.8% |

Notes: 1 Scope of aggregation: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Asahi Logistics Co., Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Soft Drink Sales Co., Ltd., Asahi Orion Inryo Co., Ltd., Kyushu Asahi Soft Drink Sales, Ltd., Michinoku, Ltd., and Asahi Draft Marketing Co., Ltd.

2 Each member of the labor union has the right to collective bargaining, according to their originating company.

► Fostering the Ideal Corporate Culture: Safety and Well-being



Management

Approach

To establish the corporate culture outlined in Asahi Group's "People Statement," the Group has developed a "Safety and Well-being Statement." This statement is rooted in the belief that the health, safety, and well-being of each individual employee are of the utmost importance.

The Group evaluates and works to minimize the risks to the safety and health of its workers in its existing and new business operations to ensure the safety and health of its employees in the workplace. The Asahi Group acts in consideration of the physical and mental health of its employees in the management of its businesses.

Within Japan, based on the labor agreement concluded with the labor unions and on work regulations, the Asahi Group is working to provide and maintain a safe and healthy environment, and at each business unit, a committee to control and manage safety and health has been set up by labor and management. These committees identify issues and points of improvement at each workplace and take measures in response.

The Asahi Group will continue its activities thoroughly to ensure the safety of employees at workplaces and will aggressively advance initiatives aimed at improving employee health and well-being.

Policies

Safety and Well-being Statement

At Asahi, our business is all about people. Our business will only be sustainable if the health, safety and well-being of our employees and the communities we work within are a top priority.

We are committed to creating a workplace where we feel safe, secure and healthy: where we can flourish individually and prosper together.

An inclusive workplace, where people can be themselves and collaborate freely: a workplace which has a positive impact on our health, safety and well-being.

Labor Agreement/Work Regulations on Occupational Safety and Health

(Excerpt) (Asahi Breweries, Ltd.)

(Provision 56 of the Labor Agreement: Safety and Health)

The company shall recognize the importance of ensuring safety and health for union members at the work setting, and labor and management will work together in an effort to improve the work environment.

2. The company will discuss with the union on the policies and standards mentioned in the previous paragraph.

(Provision 63 of the Work Regulations: The Fundamentals of Safety and Health)

The company will recognize the importance of ensuring safety and health for employees at the work setting, and will strive to improve the work environment. (The rest is omitted.)

Asahi Group Health and Productivity Management Policy

In cooperation with its employees, the Asahi Group achieves a vigorous, safe work climate that prioritizes the physical and mental health of employees and their families and aggressively advances health improvement initiatives.

■ The Asahi Group companies promise their employees that they:

- Work to keep workplaces safe and design systems for that purpose;
- Ensure that health-first values spread throughout the Asahi Group; and
- Provide health-related plans and initiatives for employees to voluntarily and proactively participate in.

■ Employees promise their company that they:

- Share the company's health is our biggest priority;
- Proactively participate in health improvement initiatives and change their behaviors accordingly; and
- Develop consistent health habits and maximize their abilities.

Note: The Asahi Group Health and Productivity Management Policy only applies inside Japan.

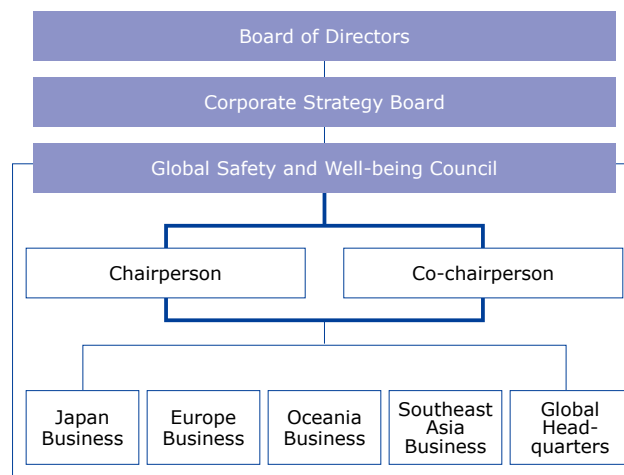
▶ **Fostering the Ideal Corporate Culture: Safety and Well-being** ▶ **Management**



Governance

In March 2023, the Asahi Group established the Global Safety and Well-being Council, an advisory body to the CEO that discusses the Group’s safety and well-being strategy. In order to foster the ideal corporate culture called for in our “People Statement,” we consider securing the safety of employees and striving to improve their health and well-being our most important responsibilities. Accordingly, we recognize these as key challenges for management, and will continue working to achieve these goals. A co-chair system has been adopted for the Council, with Keizo Tanimura, Chief Human Resources Officer (CHRO) of Asahi Group Holdings, Ltd., appointed as Chair, and Igor Tikhoniv, Managing Director of Asahi Europe and International Ltd., as Co-Chair. The Council has members from a diverse range of backgrounds, nominated by Asahi Group Holdings, Ltd. and each Regional Headquarters regardless of gender, region, department, or position.

This Council meets quarterly to set numerical targets for each item and work to expand development training and create a welcoming culture. In addition, it is responsible for monitoring progress on these initiatives and reporting outcomes to management.



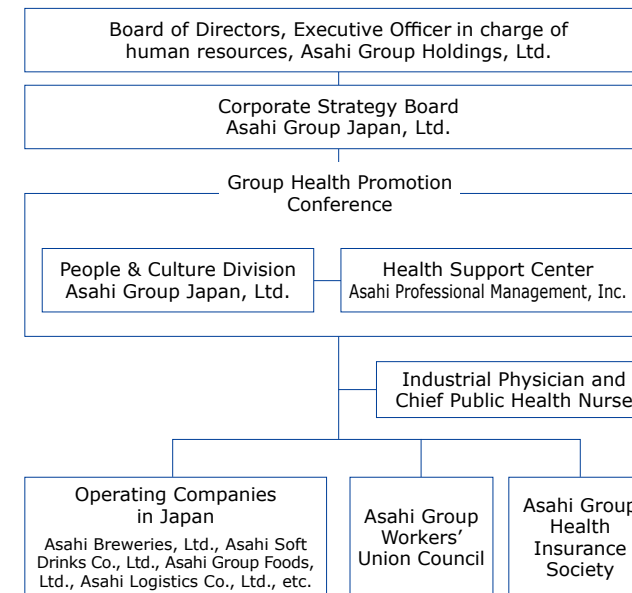
The operating companies in Japan have established Safety and Health Committees and similar bodies including representatives from both management and labor unions that meet once a month at workplaces. They are committed to the continued improvement of worker safety, hygiene, and health.

Furthermore, by focusing on initiatives to eradicate and reduce potential risks at each brewery through risk assessment,* we promote safety and health initiatives with full participation under the strong conviction that worker injuries can be eliminated.

Within Japan, we are also working on schemes to promote well-being and moving forward with relevant initiatives.

* Risk assessment: A method that evaluates risks and gives an order of priority to reduce them by specifying all dangers and hazardous factors of equipment and work.

Group Health Promotion Structure (in Japan)



▶ Fostering the Ideal Corporate Culture: Safety and Well-being ▶ Management



Risk Management

The Asahi Group recognizes the risks of harm to employee safety or well-being negatively impacting various stakeholders and the Group's management. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by divisions such as the Human Resources Department of Asahi Group Holdings, Ltd. and Regional Headquarters, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group promotes independent safety and health initiatives that are suitable for the workplace, with the Safety and Health Committee of each company and business unit in Japan taking the lead. As key initiatives, the following practices are being implemented: the 5S initiatives (Sorting, Setting in Order, Shining, Standardizing, and Sustaining Discipline), compliance with safety rules, following through with risk assessment, strengthening of training and support, eradication of frequent accidents, and the effective execution of the PDCA cycle. In addition, by raising the level of and reinforcing the spread of safety culture by practicing the aforementioned policies, we will strive to achieve zero accidents. Our approach to occupational safety and health toward achieving zero accidents also applies to partner companies contracted for various production services.

Going forward, we will further ensure the fundamentals of safety and health while we strengthen the mutual inspection and information exchange between the Group companies. Consequently, we will develop effective safety policies that correspond to the actual condition of each business unit.

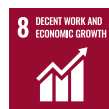
▶ Fostering the Ideal Corporate Culture: Safety and Well-being ▶ Management



Metrics and Targets

The Supply Chain section takes the lead in our efforts to eliminate occupational accidents in factories by setting globally shared objectives, monitoring monthly statistics, and reporting outcomes to management.

Related SDGs



Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|--|
| AGJ | Achieve 100% participation rate in the seminar for managers, seminar for supervisors, and training for employees, which are all intended for plant employees (Target: AB) | 3.4/8.5/8.8 |
| AGJ | Achieve 100% stress check implementation rate | |
| AGJ | Achieve 98% rate for special health checkups by 2023 | |
| AGJ | Achieve 45% rate for the implementation of guidance on lifestyle diseases by 2023 | |

[Related Information](#) ▶ [Progress on Material Issue Initiatives \(in 2022\)](#)

► Fostering the Ideal Corporate Culture: Safety and Well-being



Performance

Safety

Occurrence of Industrial Accidents Numbers of Industrial Accidents

Regular and Contract Employees

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|---------------|------|------|------|------|------|
| Asahi Breweries, Ltd. | Lost time | 1 | 1 | 0 | 1 | 0 |
| | Non-lost time | 0 | 1 | 4 | 4 | 2 |
| | Fatal | 0 | 0 | 0 | 0 | 0 |
| | Total | 1 | 2 | 4 | 5 | 2 |
| Asahi Soft Drinks Co., Ltd. | Lost time | 3 | 0 | 0 | 0 | 1 |
| | Non-lost time | 3 | 1 | 3 | 1 | 4 |
| | Fatal | 0 | 0 | 0 | 0 | 0 |
| | Total | 6 | 1 | 3 | 1 | 5 |
| Asahi Group Foods, Ltd. | Lost time | 0 | 1 | 0 | 2 | 0 |
| | Non-lost time | 4 | 5 | 3 | 4 | 1 |
| | Fatal | 0 | 0 | 0 | 0 | 0 |
| | Total | 4 | 6 | 3 | 6 | 1 |

Notes: 1 Target period: January to December of each year

2 Excluding temporary and subcontractors' employees

3 Number of industrial accidents in 2019: 2 accidents with lost work time (2 cases involving a fall) and 7 cases without lost work time (5 cases involving being caught between or under objects, 1 involving a fall, and 1 involving contact with very hot or very cold objects)

4 Number of industrial accidents in 2020: 10 accidents without lost work time (4 cases involving cutting or rubbing, 1 involving a fall, 1 involving being hit by a flying or falling object, 1 involving contact with a hazardous substance, 1 involving contact with very hot or very cold objects, 1 involving being caught between or under objects, and 1 other)

5 Number of industrial accidents in 2021: 3 accidents with lost work time (2 cases involving crashes and falls and 1 involving falling down) and 9 cases without lost work time (1 case involving crashes and falls, 1 involving falling down, 1 involving being hit by a flying or falling object, 2 involving being caught between or under objects, 3 involving contact with very hot or very cold objects, and 1 involving contact with harmful factors)

6 Number of industrial accidents in 2022: 1 accident with lost work time (1 case involving falling down) and 7 cases without lost work time (1 case involving crashes, 2 involving being caught between or under objects, 3 involving cutting or rubbing, and 1 involving contact with harmful factors)

Subcontractors' Employees

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|-----------------|------|------|------|------|------|
| Asahi Breweries, Ltd. | Fatal accidents | 1 | 0 | 0 | 1 | 0 |
| Asahi Soft Drinks Co., Ltd. | Fatal accidents | 0 | 0 | 0 | 0 | 0 |
| Asahi Group Foods, Ltd. | Fatal accidents | 0 | 1 | 0 | 0 | 0 |
| Total of 3 companies | Fatal accidents | 1 | 1 | 0 | 1 | 0 |

Note: Target period: January to December of each year

Rates of Industrial Accidents

Regular and Contract Employees

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---|--------|--------|-------|-------|------|
| Asahi Breweries, Ltd. | Frequency rate | 1.19 | 0.4588 | 0 | 0 | 0 |
| | Severity rate | 0.0160 | 0.0326 | 0 | 0 | 0 |
| | LTIFR | - | - | 0.95 | 0 | 0 |
| | TRIFR | - | - | 3.79 | 1.89 | 0.88 |
| | Asahi Soft Drinks Co., Ltd. | LTIFR | - | - | 0.27 | 0 |
| Asahi Soft Drinks Co., Ltd. | TRIFR | - | - | 0.82 | 0.25 | 2.08 |
| | Asahi Europe and International Ltd. | LTIFR | - | - | 1.78 | 3.38 |
| Asahi Europe and International Ltd. | TRIFR | - | - | 3.95 | 6.06 | 7.12 |
| | Asahi Holdings (Australia) Pty Ltd. | LTIFR | - | - | 6.30 | 7.57 |
| Asahi Holdings (Australia) Pty Ltd. | TRIFR | - | - | 14.50 | 11.60 | 7.13 |
| | Asahi Holdings Southeast Asia Sdn. Bhd. | LTIFR | - | - | 1.44 | 0 |
| Asahi Holdings Southeast Asia Sdn. Bhd. | TRIFR | - | - | 3.41 | 0.23 | 1.36 |
| | Total of 5 companies | LTIFR | - | - | 2.15 | 2.19 |
| Total of 5 companies | TRIFR | - | - | 5.29 | 4.01 | 3.71 |

Notes: 1 Industrial accident frequency rate: Number of deaths and injuries from industrial accidents per 1 million cumulative work hours (indicates how frequently accidents occurred). Number of deaths and injuries (number of deaths and of injuries resulting in one or more workdays lost) ÷ cumulative work hours × 1,000,000

2 Industrial accident severity rate: Number of workdays lost per 1,000 cumulative work hours (indicates severity of accidents). Cumulative workdays lost (number of workdays lost due to deaths or to injuries resulting in one or more workdays lost) ÷ cumulative work hours × 1,000

3 LTIFR (Lost Time Injuries Frequency Rate): Total hours of lost working time ÷ cumulative work hours × 1,000,000

4 TRIFR (Total Recordable Injury Frequency Rate): Total number of industrial accidents ÷ cumulative work hours × 1,000,000

5 In 2022, companies subject to disclosure account for 79% of the entire Group (based on revenue).

Acquisition of Certification and Awards

The Asahi Group has acquired Occupational Health and Safety Management System (ISO 45001) certification for the following 18 production sites operated by Asahi Europe and International Ltd. and Asahi Holdings Southeast Asia Sdn. Bhd. This accounts for 26 percent of production sites managed globally by the Group.

Asahi Europe and International Ltd.

| Country | Business site | Certification | Year certified |
|----------------|------------------------------|---------------|----------------|
| Italy | Birra Peroni Rome Brewery | ISO 45001 | 2019 |
| | Birra Peroni Bari Brewery | ISO 45001 | 2019 |
| | Birra Peroni Padua Brewery | ISO 45001 | 2019 |
| | Birra Peroni Saplo Malthouse | ISO 45001 | 2019 |
| Netherlands | Grolsch Brewery | ISO 45001 | 2021 |
| Poland | Poznan Brewery | ISO 45001 | 2019 |
| | Tychy Brewery | ISO 45001 | 2019 |
| | Bialystok Brewery | ISO 45001 | 2019 |
| Czech Republic | Plzen Brewery | ISO 45001 | 2020 |
| | Velke Popovice Brewery | ISO 45001 | 2020 |
| | Nosovice Brewery | ISO 45001 | 2020 |
| Slovakia | Saris Brewery | ISO 45001 | 2020 |
| Hungary | Dreher Brewery | ISO 45001 | 2020 |
| | Buzau Brewery | ISO 45001 | 2020 |
| Romania | Brasov Brewery | ISO 45001 | 2020 |
| | Timisoara Brewery | ISO 45001 | 2020 |

Asahi Holdings Southeast Asia Sdn. Bhd.

| Country | Business site | Certification | Year certified |
|----------|----------------------------------|---------------|----------------|
| Malaysia | EBSB (Etika Beverages Sdn. Bhd.) | ISO 45001 | 2019 |
| | EDSB Etika Dairies Sdn. Bhd. | ISO 45001 | 2020 |

► Fostering the Ideal Corporate Culture: Safety and Well-being ► Performance



Well-being

Health Indicators

| | Target | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|---------|--------------|-------|---------------|-------------|-------------|-------|
| | Year | Target value | | | | | |
| Percentage of employees undergoing stress checks | - | 100% | 92.2% | 93.6% | 95.0% | 95.1% | 95.8% |
| Stress checks (Percentage of employees under high stress) | - | - | 5.4% | 5.3% | 4.3% | 5.2% | 5.1% |
| Percentage of employees who are smokers | 2025 | 19% | 31.6% | 31.0% | 30.2% | 29.1% | 27.1% |
| Percentage of employees who received a regular health checkup | - | - | 100% | 100% | 100% | 100% | 100% |
| Percentage of employees who received a detailed examination | - | - | 77.5% | 62.6% | 73.8% | 71.7% | 69.6% |
| Rate of employees maintaining appropriate weight (employees with a BMI between 18.5 and 25) | - | - | 59.3% | 64.1% | 61.0% | 65.4% | 61.9% |
| Percentage of employees engaged in habitual exercise ^{*1} | - | - | 22.7% | 25.7% | 26.8% | 31.2% | 30.0% |
| Percentage of employee ensuring proper sleep and nutrition | - | - | 59.1% | 62.2% | 75.1% | 73.4% | 67.3% |
| Percentage of employees with metabolic syndrome ^{*2} | - | - | 34.9% | 36.1% | 37.6% | 36.8% | 35.8% |
| Percentage of employees undergoing special health checkups | By 2023 | 98% | 97.7% | 98.3% | 98.6% | 98.6% | 98.4% |
| Percentage of employees implementing specific health guidance | By 2023 | 45% | 19.2% | 25.6% | 27.6% | 46.5% | 35.4% |
| Percentage of high-risk employees provided with health guidance ^{*3} | - | - | - | - | 90.1% | 87.1% | 67.4% |
| Percentage of high-risk employees under health control (treatment maintained) | - | - | - | 94.4% | 95.8% | 95.3% | 95.0% |
| Percentage of employees participating in programs for preventing lifestyle diseases | - | - | 16.6% | 22.0% | 25.7% | 19.9% | 23.2% |
| Degree of satisfaction with the programs for preventing lifestyle diseases | - | - | 91.3% | 88.7% | 89.0% | 85.6% | 86.1% |
| Rate of implementation of e-learning designed to enhance awareness of proper drinking practices ^{*4} | - | 100% | 88.8% | 94.5% | 95.6% | 95.2% | 86.4% |
| Number of employees taking a leave of absence due to illness or injury ^{*3} | - | - | 65 | 57 | 57 | 53 | 66 |
| Number of employees absent from work due to illness or injury ^{*3} | - | - | 185 | 149 | 140 | 147 | 159 |
| Absolute presenteeism (WHO-HPQ) ^{*4} | 2025 | 70 points | - | - 63.4 points | 66.5 points | 70.3 points | |
| Engagement ^{*5} | - | - | 51 | 51 | 51 | 52 | 52 |

Note: Scope of aggregation: Up to 2018, data is based on Asahi Group Health Insurance Society enrollee data (insured employees aged 40 and over). However, the percentage of employees who undergo stress checks covers all Asahi Group employees.

From 2019, the data covers all Asahi Group employees. Data on employees with metabolic syndrome, employees undergoing special health checkups, and employees implementing special health guidance is based on Asahi Group Health Insurance Society enrollee data (insured employees aged 40 and over).

*1 Percentage of employees engaged in habitual exercise: percentage of employees who have been exercising at least 30 minutes twice a week for at least one year

*2 Percentage of employees with metabolic syndrome: Percentage of employees with metabolic syndrome includes employees with pre-metabolic syndrome

*3 Scope of aggregation: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Asahi Professional Management Co., Ltd.

*4 Scope of aggregation: Asahi Breweries, Ltd.

*5 Deviation of data obtained from a survey conducted by an external company (median = 50)

Acquisition Ratio and Number of Days of Paid Leave Obtained by Employees

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|--------|--------|-------|-------|-------|
| Acquisition ratio of paid leave | 65.76% | 71.75% | 60.7% | 63.4% | 62.0% |
| Number of days of paid leave obtained | 12.5 | 13.5 | 11.4 | 12.2 | 11.9 |

Notes: 1 Scope of aggregation: Major Asahi Group Companies in Japan (Click here [for more information](#))

2 Target period: January to December of each year

Monthly Average Overtime Work Hours among Employees

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------------------|------|------|------|------|------|
| Average monthly overtime work hours | 21.1 | 21.1 | 19.1 | 20.8 | 21.8 |

Notes: 1 Scope of aggregation: Major Asahi Group Companies in Japan (Click here [for more information](#))

2 Target period: January to December of each year

▶ Fostering the Ideal Corporate Culture: Safety and Well-being ▶ Performance



External Evaluation

The Asahi Group has spent many years building up a workplace environment where every employee can work safely, energetically, and in good health. We have received the following external evaluations for these initiatives.

Awards Concerning Occupational Safety and Health

| Name of Company and Business Unit | Award Year | Name of Award |
|---|------------|---|
| Asahi Breweries, Ltd., Ibaraki Brewery | 2013 | Accident-free Record Certification, Class 1 4.5 million hours accident-free Awarded by Labor Standards Bureau, Ministry of Health, Labour and Welfare |
| Asahi Breweries, Ltd., Kanagawa Brewery | 2016 | Excellence Award from the Director of Labour Standards Bureau, Ministry of Health, Labour and Welfare |
| Asahi Breweries, Ltd., Nagoya Brewery | 2016 | Excellence Award from the Aichi THP (Total Health Promotion) Council, Aichi Labour Bureau THP Council of Japan |
| Asahi Breweries, Ltd., Suita Brewery | 2017 | Encouragement Award from the Director of Labour Standards Bureau, Ministry of Health, Labour and Welfare |
| Asahi Breweries, Ltd., Shikoku Brewery | 2019 | Excellent Business Site for Health and Safety Award (Encouragement Award) from the Minister of Health, Labour and Welfare |

improve health spearheaded by Nippon Kenko Kaigi. Asahi Group Holdings, Ltd. was selected for the list for six consecutive years from 2017. Asahi Group Holdings, Ltd. has also been selected five times by the Health & Productivity Stock Selection Program. The Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange operate this joint program, which selects enterprises that work to manage the health and productivity of employees from a managerial perspective and establish strategic efforts accordingly.

[Related Information](#) ▶ [External Evaluation \(Diversity, Equity and Inclusion\)](#)

Selected as One of the “White 500” Companies for Outstanding Health and Productivity Management and as an Enterprise Selected the Health & Productivity Stock Selection Program

The “White 500” is a list of companies acknowledged as engaging in outstanding health and productivity management based on their efforts to tackle local health issues and cooperate with initiatives to



▶ Fostering the Ideal Corporate Culture: Safety and Well-being

Activities

Safety

Safety Training

In addition to education mandated by law, Asahi Breweries, Ltd. conducts periodic internal education and training on safety, including tiered safety management seminars and disaster investigation training with a focus on brewery employees, and takes other measures to prevent industrial accidents.

Number of Participants in Training on Safety

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|------|------|------|------|------|
| For Managers | 25 | 13 | 11 | 14 | 10 |
| For Supervisors | 53 | 41 | 77 | 45 | 57 |
| For Employees | 470 | 161 | 92 | 210 | 351 |

Notes: 1 Scope of aggregation: Asahi Breweries, Ltd.
2 Target period: January to December for each year

Well-being

Prevention of Long Working Hours

The Asahi Group is working to prevent long working hours through the proper management of working hours, promotion of the use of paid leave, and work-style reform in order to prevent health problems caused by overwork.

Labor Risk Assessment

To ensure strict adherence to fair labor practices in its business activities, the Asahi Group conducts risk assessments concerning labor issues, including overwork, and has a system in place to promptly

implement countermeasures and resolve issues.

Through regular engagement surveys and stress checks conducted on all employees, the Group ascertains the actual status of unpaid overtime and employees' awareness of appropriate working hours. In addition, at the Asahi Group companies in Japan, working hours are monitored to prevent the risk of overwork to ensure compliance with the labor-management agreements based on Article 36 of the Labor Standards Act.

When a problem occurs, the cause is investigated with management and supervisory personnel and measures are taken to prevent recurrence. Furthermore, the Asahi Group companies not only report on the occurrence of overwork to the management on a monthly and quarterly basis, but also whenever there is a high-risk issue.

The results of such assessments are regularly reported to management and shared on a monthly basis at meetings such as Safety and Health Committees. This enables us to check the effectiveness of risk mitigation and to further strengthen our efforts.

Proper Management of Working Hours

The Asahi Group has operated a personnel management system that allows supervisors to monitor and manage data on employee arrival and departure times from the workplace via web browsers since 2007. Through this system, supervisors view and grant approval for the employees' arrival and departure times entered by the employees as well as times when they sign in and out of their computers.

This system encourages each employee to be more

conscientious about reporting their working hours and their work styles. Because supervisors understand how long their subordinates work using this system, they can reconsider duty assignments within their departments if necessary. This system enables mindset reform towards more productive ways of working.

Encouraging Employees to Take Paid Leave

Asahi Breweries, Ltd. has introduced the leave of absence programs described below with the aim of encouraging employees to take several consecutive days of paid leave. It has also set a target to ensure that all employees obtain paid holidays through each of these programs.

- The refreshment leave program encourages employees to take at least six consecutive days of leave per year by combining paid leave and public holidays.
- The commemorative leave program allows employees to determine two days that can be taken as paid leave for any reason.

Actions for Work-style Reform

From the perspectives of the personnel management system, utilization of information technologies, and the office environment, Asahi Group Holdings, Ltd. endeavors to develop its corporate culture and increase employees' awareness to help them work flexibly according to their lifestyles, creating an efficient working environment in any location and at any time. Specifically, Asahi Group Holdings, Ltd. is working to increase motivation and productivity by creating an environment that allows employees to choose a more

▶ Fostering the Ideal Corporate Culture: Safety and Well-being ▶ **Activities**



flexible work style, including super flextime, teleworking programs, use of Teams, and shared offices.

Related Information > Acquisition Ratio and Number of Days of Paid Leave Obtained by Employees

Related Information > Monthly Average Overtime Work Hours among Employees

Initiatives of Operating Companies Asahi Breweries, Ltd.

Asahi Breweries, Ltd. is taking initiatives to promote good health among its employees in accordance with the Asahi Group Health and Productivity Management Policy.

<Specific Initiatives>

- Planning and conducting seminars on proper drinking to promote “responsible drinking”
- Eliminating or reducing the number of indoor and outdoor smoking areas and promoting non-smoking days during certain hours of the workday
- Enhancing health guidance system for employees
- Having industrial health staff from each business unit work as key health support planners and managers

Asahi Soft Drinks Co., Ltd.

Asahi Soft Drinks Co., Ltd. has established the following “Asahi Soft Drinks Co., Ltd. Health Policy” and is promoting initiatives to make Asahi Soft Drinks Co., Ltd. a company where employees and their families can continue to work in good health and happiness.

Asahi Soft Drinks Co., Ltd. Health Policy

- Asahi Soft Drinks aims to be a company where each and every employee can continue to work vigorously and energetically, both physically and mentally, by continually thinking about their own “health” and taking appropriate action.
- By promoting various health management initiatives, Asahi Soft Drinks aims to be a company where both of employees and members of their families can be healthy and happy.
- Asahi Soft Drinks will continually raise awareness of “health” throughout the workplace and work to deliver the value of “health” to our customers through our business initiatives.

<Specific Initiatives>

- Participation in the “FUN+WALK PROJECT” promoted by Japan Sports Agency (promotion of sneaker commuting to work)
- Implementation of the “Walk for a smile” program, which links employee walking to social contributions
- Expansion of external counseling system

Asahi Group Foods, Ltd.

Asahi Group Foods has launched the Asahi Group Foods Health Policy and is working to improve the health of its employees, with a focus on “Mind = Self-Care & Working Environment” and “Body = Eating & Exercise Habits.”

Asahi Group Foods Health Policy

Asahi Group Foods aims to be a health company that embodies “Soundness of Mind and Body” through proactive health promotion initiatives that are “Typical of Asahi Group Foods.”

<Specific Initiatives>

- Implementation of health promotion measures for employees
- Implementation of the “My Health Up” campaign (Lifestyle Improvement)
- Implementation of measures to improve food and nutrition literacy
- Improvement of the health guidance system for employees
- Creation of opportunities to learn about health
- Support for a balanced working style

Addressing Global Health Issues

Some of the regions in which the Asahi Group conducts business are experiencing outbreaks of such infectious diseases as HIV/AIDS, tuberculosis, and malaria. The Asahi Group is actively engaged in resolving these global health issues.

Employees in Japan receive chest X-ray examinations as part of their regular health checkups for early detection of tuberculosis and other respiratory and cardiovascular illnesses.

Employees posted overseas receive medical checkups and vaccinations prior to posting and regular checkups during their posting, which are followed up by appropriate guidance. They also receive a checkup upon returning to their original country of employment.

► Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion



Management

Approach

The Asahi Group regards Diversity, Equity and Inclusion (DE&I) as a key issue for management and considers that the DE&I of human resources makes the organization stronger and leads to a more innovative corporate culture.

The Group has established a DE&I Statement to facilitate the sharing of values and ideas on DE&I at a global level and to advance our activities accordingly. Respecting diverse cultures, ethnic groups, genders, and individualities all over the world, we endeavor to create an environment where each of our staff members can express their individuality freely.

The Asahi Group has also established “shine AS YOU ARE” as a core message to communicate and instill this idea in our employees. Aiming to become an organization where each individual can shine, we will continue to invigorate various activities by using “shine AS YOU ARE” as the axis of communication both inside and outside the company.

Policies

Diversity, Equity and Inclusion Statement

From Tokyo to Rome, Melbourne to Prague, and Auckland to Kuala Lumpur at Asahi we are a global family united by the pride in our products and the passion of our people.

Our heritage is as rich and diverse as our global family, anchored in Japanese roots. From this we draw a deep respect and care for our planet, our communities, our business, and most of all our people. Our culture is one that nurtures a sense of belonging, where every person is respected and their uniqueness celebrated.

We know that our diverse and multi-cultural organization makes us stronger, more innovative and is key to our long term success, which is why we're committed to a future where everyone belongs, our individuality matters and we can flourish personally and professionally. A culture where ideas can come from anywhere, everyone has a voice, and we all contribute to a better future.

Governance

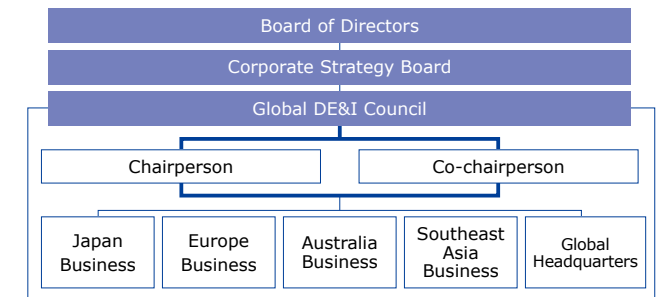
Management System of Entire Asahi Group

The Asahi Group has established the Global DE&I Council, an advisory body to the CEO that discusses the Group's DE&I strategy and promotes DE&I activities throughout the Group. In order to promote DE&I as an important issue in business management, the Asahi Group has invested effort in ensuring this Council consists of diverse members.

As part of this effort, we have adopted a co-chair system to actively incorporate the perspectives of both the Human Resources Department and the functional

departments. Keizo Tanimura, CHRO of Asahi Group Holdings, Ltd., has been appointed as Chair, and Sandra Gibbs, CSCO of Asahi Holdings (Australia) Pty Ltd., as Co-Chair (February 2023). Members of the Council are nominated by the CEOs of Global Headquarters and each Regional Headquarters and are appointed based on their diverse backgrounds, regardless of gender, region, department, or position.

This Council meets quarterly to set numerical targets for each activity, review the personnel system aiming to strengthen fairness, etc., expand educational training, and work to create an inclusive culture. In addition, it is responsible for monitoring progress on these efforts and reporting outcomes to management.



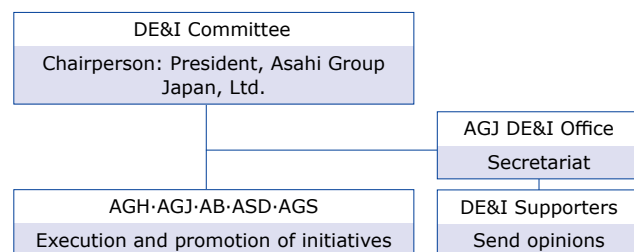
Management System in Japan

In Japan, the DE&I Committee has been established to manage DE&I activities in Asahi Group Japan, Ltd. and its major operating companies. The committee is chaired by the president of Asahi Group Japan, Ltd., and includes the CHRO of Asahi Group Holdings, Ltd., the Human Resources Director at Asahi Group Japan, Ltd., the Head of the Human Resources Department,

► Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ► Management



and the presidents of its major operating companies in Japan. These individuals are responsible for making decisions on policies for activities in Japan. To reflect diverse opinions, we have also recruited “DE&I Supporters,” a group that consists of voluntary employees from operating companies under the Asahi Group Japan, Ltd. This Group aims to collect supporters’ opinions and reflect them in our measures.



Risk Management

The Asahi Group recognizes the risks of harm to DE&I undermining our efforts to secure diverse and capable human capital. Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group has formulated a roadmap to 2030 for its DE&I promotion initiatives and is now in the progress of executing on that plan. The period from 2021 to 2022 was spent establishing the necessary infrastructure for promoting DE&I, including constructing global systems for DE&I promotion and increasing recognition among employees. From 2023, the Group will work to raise awareness and change behavior among employees and intensify its efforts to foster leadership, with the objective of unifying DE&I with business strategy from 2025 onward.

DE&I Strategy Roadmap

2021 to 2022: Establishing an Infrastructure for Promoting DE&I

- Construct global systems for DE&I promotion
- Identify challenges globally and at Regional Headquarters, and set KPIs accordingly
- Increase recognition among employees through educational events

2023 to 2025: Raising Awareness and Changing Employee Behavior

- Raise employee awareness and change behavior through education and global campaigns
- Incorporate DE&I into HR strategy at Regional Headquarters
- Strengthen internal and external stakeholder engagement

2025 to 2030: Unifying DE&I with Business Strategy and Fostering an Inclusive Corporate Culture

- Introduce inclusion-related standards into leader-level KPIs
- Unify DE&I with business strategy for products, services, and other areas
- Support DE&I-related initiatives in regional communities

Metrics and Targets

In promoting DE&I, the Asahi Group has made a strategic decision to start with gender balance and has set a goal of increasing the percentage of female representation of leadership positions to 40% or more by 2030.* We will make the Asahi Group stronger and more innovative by creating a corporate culture where each employee is respected and their individuality is recognized, and by making the organization diverse and multicultural.

*Target: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Regional Headquarters outside Japan, and major operating companies in Japan (Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd.)

► **Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion** ► **Management**



Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---|--|
| Increase the percentage of female representation of leadership positions to 40% or more by 2030 | 5.1/5.5/10.2/10.3/10.4 |

Note: Scope of aggregation: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

[Related Information](#) > [Progress on Material Issue Initiatives \(in 2022\)](#)

Related SDGs



- [Related Information](#) > [Activities \(Diversity, Equity and Inclusion\)](#)
- > [Supporting Diverse Ways of Working](#)
 - > [Performance \(Status of Employment\)](#)
 - > [Respect for Human Rights](#)
 - > [Management \(Enhancement of Human Capital\)](#)
 - > [Performance \(Well-being\)](#)
 - > [Activities \(Well-being\)](#)

► Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion

Performance (Status of Employment)

Number of Employees

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|--------|--------|--------|--------|--------|
| Number of regular employees | 28,089 | 29,327 | 29,850 | 29,878 | 29,920 |

Notes:

1 Scope of aggregation: Entire Asahi Group (Click here [▶](#) for more information)

2 Figures as of December 31 each year

Breakdown of the Status of Employment

The Asahi Group

| | | 2018 | 2019 | 2020 | 2021 | 2022 | |
|--------------------------------------|--------|--|--------|--------|--------|--------|--------|
| Regular employees | Male | Number of employees | 21,330 | 22,269 | 22,684 | 22,397 | 22,305 |
| | | Ratio | 76% | 76% | 76% | 75% | 75% |
| | Female | Number of employees | 6,759 | 7,058 | 7,166 | 7,481 | 7,615 |
| | | Ratio | 24% | 24% | 24% | 25% | 25% |
| | Total | Number of employees | 28,089 | 29,327 | 29,850 | 29,878 | 29,920 |
| | | Average number of years of continuous employment (years) | | | | | |
| | Male | | 12.4 | 11.8 | 10.1 | 10.6 | 12.7 |
| | | Female | 9.2 | 8.8 | 8.8 | 9.4 | 9.5 |
| | Total | | 11.7 | 7.8 | 10.0 | 10.4 | 11.9 |
| | | Temporary employees | | | | | |
| Number of employees (yearly average) | | 6,613 | 6,669 | 6,848 | 6,665 | 6,645 | |

Notes:

1 Scope of aggregation: Entire Asahi Group (Click here [▶](#) for more information)

2 Figures as of December 31 each year

Asahi Group Holdings, Ltd.

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------|--------|------|------|------|------|------|
| Regular employees | Male | 220 | 124 | 242 | 259 | 124 |
| | Female | 67 | 31 | 71 | 77 | 40 |
| | Total | 287 | 155 | 313 | 336 | 164 |

Major Asahi Group Companies in Japan

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|---------------------|-------|-------|-------|-------|-------|
| Number of employees | Male | 6,009 | 5,780 | 5,884 | 5,777 | 5,678 |
| | Female | 1,565 | 1,204 | 1,240 | 1,293 | 1,318 |
| | Total | 7,574 | 6,984 | 7,124 | 7,070 | 6,996 |
| Average age | Male | 41.9 | 42.4 | 42.7 | 43.3 | 42.9 |
| | Female | 86 | 64 | 48 | 59 | 37 |
| | Total | 116 | 86 | 70 | 68 | 50 |
| Number of employees voluntarily resigning | Male | 0.63% | 1.06% | 0.86% | 1.02% | 0.65% |
| | Female | 30 | 22 | 22 | 9 | 13 |
| | Total | 116 | 86 | 70 | 68 | 50 |
| Voluntary resignation rate | Male | 0.85% | 1.46% | 0.92% | 0.96% | 0.71% |
| | Female | 1.95% | 1.85% | 1.23% | 0.70% | 0.99% |
| | Total | 0.85% | 1.46% | 0.92% | 0.96% | 0.71% |
| Average number of years of continuous employment (years) | Male | 14.4 | 17.8 | 14.3 | 17.8 | 17.2 |
| | Female | 9.1 | 14.9 | 12.6 | 15.0 | 14.0 |
| | Total | 13.1 | 17.3 | 14.0 | 17.3 | 16.5 |
| Part-time employees | Number of employees | 3,306 | 3,811 | 3,957 | 2,108 | 2,053 |

Notes:

1 Scope of aggregation: Major Asahi Group Companies in Japan (Click here [▶](#) for more information)

2 Figures as of December 31 each year

3 In 2022, companies subject to disclosure account for 47% of the entire Group (based on revenue).

Number of Employees by Age

| | | 2020 | 2021 | 2022 |
|--------------------------|--------|-------|-------|-------|
| Younger than 30 | Male | 799 | 806 | 799 |
| | Female | 244 | 259 | 274 |
| | Total | 1,043 | 1,065 | 1,073 |
| 30–39 years of age | Male | 1,106 | 1,080 | 1,080 |
| | Female | 326 | 315 | 343 |
| | Total | 1,432 | 1,395 | 1,423 |
| 40–49 years of age | Male | 2,076 | 1,909 | 1,738 |
| | Female | 362 | 342 | 326 |
| | Total | 2,438 | 2,251 | 2,064 |
| 50–59 years of age | Male | 1,889 | 1,991 | 2,047 |
| | Female | 307 | 352 | 374 |
| | Total | 2,196 | 2,343 | 2,421 |
| 60 years of age or older | Male | 15 | 16 | 14 |
| | Female | 0 | 0 | 1 |
| | Total | 15 | 16 | 15 |
| Total | Male | 5,885 | 5,802 | 5,678 |
| | Female | 1,239 | 1,268 | 1,318 |
| | Total | 7,124 | 7,070 | 6,996 |

Notes:

1 Scope of aggregation: Major Asahi Group Companies in Japan (Click here [▶](#) for more information)

2 Figures as of December 31 each year

► Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ► Performance (Status of Employment)

Number of New Hires

Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Asahi Group Foods, Ltd. are conducting recruitment activities with the aim of increasing the ratio of women hired as new graduates to 50% in 2023.

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|-----------------|------|------|------|------|------|
| New graduates | Male | 54 | 49 | 51 | 30 | 35 |
| | Female | 24 | 23 | 17 | 19 | 17 |
| | Total | 78 | 72 | 68 | 49 | 52 |
| | Ratio of female | 31% | 32% | 25% | 39% | 33% |
| | Male | 25 | 28 | 24 | 12 | 20 |
| | Female | 13 | 15 | 17 | 10 | 17 |
| | Total | 38 | 43 | 41 | 22 | 37 |
| | Ratio of female | 34% | 35% | 41% | 45% | 40% |
| | Male | 9 | 12 | 12 | 13 | 11 |
| | Female | 9 | 11 | 9 | 12 | 14 |
| Total | 18 | 23 | 21 | 25 | 25 | |
| Ratio of female | 50% | 48% | 43% | 48% | 56% | |
| Male | 88 | 89 | 87 | 55 | 66 | |
| Female | 46 | 49 | 43 | 41 | 48 | |
| Total | 134 | 138 | 130 | 96 | 114 | |
| Ratio of female | 34% | 36% | 33% | 43% | 42% | |
| Male | 41 | 44 | 33 | 28 | 60 | |
| Female | 4 | 3 | 3 | 7 | 27 | |
| Total | 45 | 47 | 36 | 35 | 87 | |
| Ratio of female | 9% | 6% | 8% | 20% | 31% | |

Notes:

1 General service positions for new graduates (excludes technical positions)

2 Click here [🔗](#) for more information

Number of Employees by Region

| | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|--------------------|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|---------------------|-------|
| | Number of employees | Ratio | Number of employees | Ratio | Number of employees | Ratio | Number of employees | Ratio | Number of employees | Ratio |
| Japan | 13,204 | 47.0% | 13,353 | 45.5% | 13,565 | 45.4% | 13,443 | 45.0% | 13,283 | 44.4% |
| North America | 83 | 0.3% | 86 | 0.3% | 100 | 0.3% | 74 | 0.2% | 1,690 | 5.6% |
| Europe | 9,146 | 32.6% | 9,825 | 33.5% | 9,787 | 32.8% | 9,159 | 30.7% | 8,887 | 29.7% |
| China | 508 | 1.8% | 523 | 1.8% | 525 | 1.8% | 335 | 1.1% | 375 | 1.3% |
| Asia besides China | 3,016 | 10.7% | 3,396 | 11.6% | 2,341 | 7.8% | 2,413 | 8.1% | 2,202 | 7.4% |
| Oceania | 2,132 | 7.6% | 2,144 | 7.3% | 3,532 | 11.8% | 4,446 | 14.9% | 3,455 | 11.5% |
| Other | - | - | - | - | - | - | 8 | 0.0% | 28 | 0.1% |
| Total | 28,089 | 100% | 29,327 | 100% | 29,850 | 100% | 29,878 | 100% | 29,920 | 100% |

Notes:

1 Scope of aggregation: Entire Asahi Group (Click here [🔗](#) for more information)

2 Figures as of December 31 each year

Breakdown of Managerial Positions

The Asahi Group

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|-------|-------|-------|-------|-------|
| Directors | Male | 346 | 267 | 473 | 331 | 484 |
| | Female | 14 | 13 | 74 | 89 | 147 |
| | Total | 360 | 280 | 547 | 420 | 631 |
| Audit & Supervisory Board Members | Male | 52 | 49 | 43 | 39 | 48 |
| | Female | 1 | 2 | 3 | 6 | 7 |
| | Total | 53 | 51 | 46 | 45 | 55 |
| Corporate Officers | Male | 129 | 129 | 161 | 176 | 171 |
| | Female | 8 | 22 | 30 | 47 | 40 |
| | Total | 141 | 151 | 191 | 223 | 211 |
| In Managerial Positions | Male | 5,611 | 5,685 | 6,231 | 6,450 | 6,673 |
| | Female | 1,327 | 1,456 | 1,669 | 2,022 | 2,241 |
| | Total | 6,938 | 7,141 | 7,900 | 8,472 | 8,914 |
| Manager level (including Senior Officers) | Male | 559 | 652 | 672 | 659 | 689 |
| | Female | 108 | 112 | 97 | 123 | 171 |
| | Total | 667 | 764 | 769 | 782 | 860 |
| Section Chief level | Male | 5,052 | 5,033 | 5,559 | 5,615 | 5,831 |
| | Female | 1,219 | 1,344 | 1,572 | 1,852 | 2,030 |
| | Total | 6,271 | 6,377 | 7,131 | 7,467 | 7,843 |
| Female managerial position ratio | | 18.9% | 20.4% | 21.0% | 23.9% | 25.1% |

Notes:

1 "Female managerial position ratio" is the ratio of women who are executives or in managerial positions.

2 Scope of aggregation: Entire Asahi Group (Click here [🔗](#) for more information)

3 Figures as of December 31 each year

▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶ Performance (Status of Employment)



Asahi Group Holdings, Ltd.

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|------|-------|-------|-------|-------|
| Corporate Officers | Male | 11 | 15 | 17 | 23 | 11 |
| | Female | 1 | 1 | 0 | 0 | 1 |
| | Total | 12 | 16 | 17 | 23 | 12 |
| In Managerial Positions | Male | 164 | 93 | 174 | 184 | 90 |
| | Female | 17 | 14 | 33 | 34 | 16 |
| | Total | 181 | 107 | 207 | 218 | 106 |
| Manager level (including Senior Officers) | Male | 11 | 10 | 21 | 12 | 11 |
| | Female | 1 | 1 | 2 | 1 | 1 |
| | Total | 12 | 11 | 23 | 13 | 12 |
| Section Chief level | Male | 153 | 83 | 153 | 172 | 79 |
| | Female | 16 | 13 | 31 | 33 | 15 |
| | Total | 169 | 96 | 184 | 205 | 94 |
| Female managerial position ratio | | 9.3% | 12.2% | 14.7% | 14.1% | 15.1% |

Note: "Female managerial position ratio" is the ratio of women who are executives or in managerial positions.

Major Asahi Group Companies in Japan

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--------|-------|-------|-------|-------|-------|
| Directors | Male | 33 | 32 | 24 | 27 | 30 |
| | Female | 1 | 2 | 1 | 1 | 1 |
| | Total | 34 | 34 | 25 | 28 | 31 |
| Audit & Supervisory Board Members | Male | 12 | 12 | 11 | 9 | 14 |
| | Female | 1 | 1 | 2 | 3 | 3 |
| | Total | 13 | 13 | 13 | 12 | 17 |
| Corporate Officers | Male | 49 | 46 | 49 | 39 | 54 |
| | Female | 1 | 3 | 2 | 17 | 5 |
| | Total | 50 | 49 | 51 | 56 | 59 |
| In Managerial Positions | Male | 2,465 | 2,381 | 2,432 | 2,399 | 2,356 |
| | Female | 227 | 232 | 254 | 270 | 289 |
| | Total | 2,692 | 2,613 | 2,686 | 2,669 | 2,645 |
| Manager level (including Senior Officers) | Male | 196 | 246 | 248 | 229 | 219 |
| | Female | 7 | 6 | 7 | 10 | 16 |
| | Total | 203 | 252 | 255 | 239 | 235 |
| Section Chief level | Male | 2,269 | 2,135 | 2,184 | 2,170 | 2,137 |
| | Female | 220 | 226 | 247 | 260 | 273 |
| | Total | 2,489 | 2,361 | 2,431 | 2,430 | 2,410 |
| Female managerial position ratio | | 8.0% | 9.6% | 9.4% | 10.5% | 10.9% |
| Number of managers | Male | 100 | 92 | 108 | 103 | 112 |
| | Female | 24 | 20 | 21 | 24 | 30 |
| | Total | 124 | 112 | 129 | 127 | 142 |
| Number of candidates for managerial positions (equivalent to Assistant Section Chief and Deputy Section Chief) | Male | 2,172 | 2,469 | 1,860 | 1,873 | 1,702 |
| | Female | 651 | 646 | 541 | 547 | 587 |
| | Total | 2,823 | 3,115 | 2,401 | 2,420 | 2,289 |

Notes:

1 "Female managerial position ratio" is the ratio of women who are executives or in managerial positions.

2 Scope of aggregation: Major Asahi Group Companies in Japan (Click here ▶ for more information)

3 Figures as of December 31 each year

Percentage of Employees with Disabilities

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------|------|------|------|------|------|
| Asahi Breweries, Ltd. | 2.3% | 2.3% | 2.2% | 2.2% | 2.2% |
| Asahi Soft Drinks Co., Ltd. | 2.2% | 2.2% | 2.5% | 2.0% | 2.3% |
| Asahi Group Foods, Ltd. | 2.2% | 1.8% | 2.2% | 2.3% | 2.1% |
| Asahi Logistics Co., Ltd. | 2.3% | 2.3% | 2.2% | 2.2% | 2.6% |
| Entire Group | - | - | 1.2% | 1.4% | 2.2% |

Note: Figures as of December 31 each year

Takeup of Leave and Other Systems

Childcare Leave System and Family Care Leave System

| | | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|------|------|-------|------|-------|
| Takeup rate of Childcare Leave System | Male | 71% | 83% | 62.5% | 54% | 61.3% |
| | Female | 100% | 100% | 100% | 100% | 100% |
| Number of days taken using Childcare Leave System | Male | 9.6 | 4.9 | 5.5 | 23.3 | 45.9 |
| | Female | 361 | 341 | 369 | 287 | 426 |
| Number of Childcare Leave System users | Male | 5 | 5 | 6 | 55 | 72 |
| | Female | 57 | 65 | 56 | 58 | 64 |
| | Total | 62 | 70 | 62 | 113 | 136 |
| Number of Family Care Leave System users | Male | 0 | 1 | 0 | 0 | 0 |
| | Female | 0 | 1 | 0 | 1 | 0 |
| | Total | 0 | 2 | 0 | 1 | 0 |

Notes:

1 Male childcare leave takeup rate and number of childcare leave acquisition days include spouse maternity leave.

2 Scope of aggregation: Asahi Breweries, Ltd.

3 Figures as of December 31 each year

▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶ Performance (Status of Employment)



Employee Support Systems for Childbirth, Childcare, and Family Care

| System | Contents | Number of Users (2022) |
|---|--|--|
| Maternity Leave System | Employees are allowed to take leaves of absence of up to 14 weeks for pre- and postnatal care. A portion of their salary is provided during leave through the corporate health insurance society. | 42 |
| Childcare Leave System | Employees are allowed to take leave when they have children under the age of two years. Men can also use this system. | 83 (Including 17 men) |
| Spousal Childbirth Leave System | Employees may take leave at the time their spouse gives birth. Up to five days, leave may be taken at full pay. | 45 |
| Paternity Childcare Leave System | Employees may take leave for up to four weeks within the eight weeks after their spouse gives birth. Up to ten days, leave may be taken at full pay. | 21 |
| System for exemption from full working hours for childcare | Employees who provide care for children are allowed to reduce their work hours by a maximum of two hours per day. (If the child in question is less than 3 years old, the employee is still paid for the reduced hours.) | 99 (Including 8 men) |
| System for exemption from full working hours for family members | Employees who provide care for family members are eligible to start or leave work two hours earlier or later than usual. | 12 |
| Family Care Leave System | Employees who provide care for family members requiring long-term care are eligible to take up to one year's leave in total within a period of two years for each such family member, or start or finish work two hours earlier or later than usual (The "accumulated leave" system can be used on a half-day basis. Note: Under the "accumulated leave" system, a portion of paid leave, which usually expires every year, is allowed to be carried over to following years.) Various allowances may be provided to supplement income during leave. | 0 |
| Welcome Back Program | Employees who left the company after three or more years of service due to childcare, care for sick family members, etc., are reemployed if certain requirements are met. No age limit. | 11 (Number of employees who have taken leave since the system was introduced in 1997) |
| Skill-up Leave System | Employees can be exempted from their duties for a certain period and use leave for skill improvement, etc. This system can also be used when an employee moves overseas as a result of his or her spouse's overseas transfer. (Up to three years) | 5 |
| Senior Staff System (full time and part time) | Retired employees who wish to be reemployed are assigned full-time or part-time work. (Age limit: 65) | 324 |
| Work-from-home System | Employees can work from home. Concurrent application of the Work-from-home System and the Super Flexible System has been permitted since 2015, and employees can work from home in hourly units. | 2,739 (As of December 2022) |

Note: Scope of aggregation: Asahi Breweries, Ltd.

External Evaluation

■ Nadeshiko Brand

Asahi Group Holdings, Ltd. was selected as a Nadeshiko Brand seven times (2012, 2015, 2016, 2017, 2019, 2020, and 2021) by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, an enterprise that actively supports the empowerment of women in the workplace.



■ Diversity Management Selection 100

In 2013, Asahi Breweries, Ltd. was selected for the Diversity Management Selection 100 (awarded by the Minister of Economy, Trade and Industry), an award that is presented by the Ministry of Economy, Trade and Industry when the corporate value is improved through diversity management.



■ PRIDE Index

In 2022, Asahi Group Holdings, Ltd. received the Gold Rating on the PRIDE Index, which is managed by "work with Pride," a Japanese private organization that supports the promotion and establishment of diversity management practices relating to LGBT and other sexual minorities.



▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶ Performance (Status of Employment)



Acquisition of the Kurumin Certification Mark and the Platinum Kurumin Certification Mark

A system which recognizes companies that design and implement an action plan to provide childcare support for employees based upon the Act on Advancement of Measures to Support Raising Next-Generation Children enacted in April 2005 and grants the “Kurumin” Certification Mark for supporting the raising of the next generation. Asahi Breweries, Ltd. was granted the Certification Mark in both 2007 and 2010.

Furthermore, in April 2015, the Platinum Kurumin Certification Mark was introduced to recognize companies implementing high standard initiatives and who have already received the Kurumin Certification Mark, and Asahi Breweries, Ltd. received this mark in July 2015. This recognizes evaluation of the following initiatives in particular, undertaken during the relevant period from 2010 to 2015.

- Establishment and revision of systems to support diverse work patterns, such as the new “Welcome Back System”
- High usage rates by both male and female employees of Childcare Leave and Spousal Childbirth Leave
- Introduction of various measures aimed at the reform of work styles, including ongoing initiatives at each office and brewery aimed at the reduction of overtime work, introduction of trial telecommuting, and introduction of various IT equipment to enhance efficiency
- Awareness-raising activities and training programs for employees such as improvements in training programs for female employees and discussion meetings for employees returning from Childcare Leave



▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion

Activities

The Asahi Group promotes DE&I with the aim of creating a highly diverse organization in which each individual can shine, and implements many different activities to provide its employees with a positive work environment.

Gender

The Asahi Group, led by the Global DE&I Council, pursues the development of a positive work environment for all, irrespective of differences in gender.

Appointment of Women

The Asahi Group actively appoints women to company officer or managerial positions. Asahi Group Holdings, Ltd. has appointed Ms. Christina L. Ahmadjian and Ms. Mari Matsunaga as Outside Directors and Ms. Sanae Tanaka as an Outside Audit & Supervisory Board Member, and has also appointed a woman as a Standing Audit & Supervisory Board Member.

Events to Enhance Gender Learning

Every year on International Women's Day (March 8), the Group and global companies work together to carry out a variety of activities. The theme was "Choose to Challenge" in 2021 and "Break the Bias" in 2022. Each year the Asahi Group creates a video message seen globally that encourages employees to view gender issues and that year's theme as their own concern, while individual Regional Headquarters hold events to help employees learn more about gender. In 2022, employees

considered what it would mean to eliminate gender bias and what benefits that would bring through keynote speeches and workshops.

Work and Childcare Balancing Event

The Asahi Group holds events to talk to and exchange opinions with role model employees who are balancing work and childcare, with the participation of a wide range of employees, regardless of gender, age, etc.

Exchange of Opinions with Management

Members of senior management attend training sessions such as Career Development Seminar for Women, and provide opportunities for exchanging opinions. We also have discussion meetings between top management and female officers.

Signing of Women's Empowerment Principles

Asahi Group Holdings, Ltd. has signed the Women's Empowerment Principles, a guideline jointly developed by the UN Global Compact and the United Nations agency UN Woman to promote gender equality and women's empowerment.

Gender Identity/Sexual Orientation

At the Asahi Group, we clearly state in the Asahi Group Human Rights Principles that we will not discriminate on

the basis of "gender identity" or "sexual orientation," and endeavor to accommodate sexual minorities (LGBT).

- In 2019, we conducted Training to Promote Understanding of the Asahi Group Human Rights Principles and LGBT Sensitivity Training for managers associated with personnel and general affairs at our operating companies in Japan. 135 managers participated in these training programs.
- In 2020, we offered e-learning on basic knowledge of human rights and LGBT to our operating companies in Japan, and 9,974 officers and employees participated in the e-learning. Workshops on LGBT issues were also held in 2020 and 2021, with a total of 93 participants.
- In 2022, to coincide with Pride month in June, we invited an external guest lecturer and hosted an online lecture called "SOGI/LGBTQ: Basic Information and Developments in Academia and Society," reaching an audience of 340 people in Japan.

Nationality

Commitment to the Hiring of Local Employees

The Asahi Group has set "Communities" as one of its material issues and is working to solve local issues through its business in various parts of the world, with the key initiative "Realize Sustainable Communities through the Creation of People-to-People Connections."



▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶ **Activities**

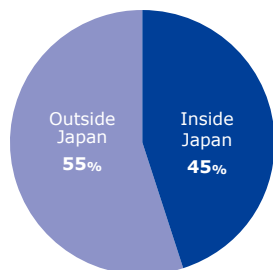


As our business base expands globally, the Asahi Group is actively recruiting locally at its business locations outside Japan with the aim of co-creating with local communities. We are promoting, in principle, the hiring of local employees and their appointment to director and senior management positions in Group companies outside Japan. As a result, the number of local staff exceeds the number of expatriates in all Regional Headquarters.

■ Status of Employees outside Japan

Of the approximately 30,000 total employees of the Asahi Group, approximately 54% are based outside Japan. The Asahi Group is also committed to sourcing personnel from outside Japan to work at operations in Japan, in line with the globalization strategy for the Group as a whole. The recruitment policy is particularly focused on returning Japanese nationals and foreign-born personnel with the skills and competencies to carry the Asahi Group into the future.

Proportion of Employees inside and outside Japan



Notes:

1 Scope of aggregation: Entire Asahi Group (Click here [▶](#) for more information)

2 Target period: As of the end of December 2022

[Related Information](#) ▶ [Strategies \(Growth through Learning\)](#)

Age

Major Asahi Group Companies in Japan reemploy employees who have fully reached the retirement age of 60 by matching their preferences and the company's needs so that they can continue working by utilizing their wealth of experience and sophisticated skill sets.

■ Job Match Support System

We recognize that it is important to start determining the intentions of employees approaching retirement age and plan assignments for them from an early stage in order to promote smooth reemployment. Therefore, each of the Major Asahi Group Companies in Japan has introduced a Job Match Support System in which employees who are 58 years or older are consulted on their preferences for reemployment and are provided with recruitment information to match them with jobs both within and outside the Group in accordance with their preferences.

Disabilities

The Asahi Group will continue to employ people with disabilities and will keep promoting the creation of a work setting that is conducive for such people.

[Related Information](#) ▶ [Percentage of Employees with Disabilities](#)

■ Job Assistance Initiatives

At Asahi Group, we employ many people with disabilities in accordance with the characteristics of each workplace. The nature and degree of each person's disability vary, therefore we personalize work content and provide support where necessary.

Examples of Support Facilities and Equipment

- Installation of wheelchair ramps at our plants
- Installation of braille signage and audio guidance in elevators at headquarters
- Purchase of special software and peripherals

Examples of Support Schemes

- Multiple workplace visits with a job coach prior to commencement of employment to check work content, equipment and facilities used, commuting route, etc.
- Conduct of briefings for colleagues prior to the placement of people with disabilities (to explain strengths, challenges and necessary support)
- Circulation of a manual to colleagues at workplaces where people with disabilities will be placed
- Assemblies for employees with disabilities

Supporting Diverse Ways of Working

At the Asahi Group, we believe that the creation of a work environment where all employees can work safely

▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶

Activities



and in good health is an important task that a company should undertake to fulfill its social responsibility. We therefore focus our efforts on managing and enhancing the physical and mental health of each employee.

In addition, we promote initiatives for achieving a work-life balance so that employees can continue to work energetically while striking a balance between work and private life.

Systems That Support Diverse Ways of Working

Major Asahi Group Companies in Japan provide their employees with a positive work environment. As part of this effort, employees are allowed to take a half-day off with pay and to take paid leave for consecutive days for the purpose of effectively balancing work and private life. Also, the Asahi Group proactively supports employees balancing childbirth, childcare, nursing care, and work so that they can lead a fulfilled life both at work and in society.

For work styles, the Asahi Group adopts a system to enable employees to draw up diverse plans for their careers and to avoid being transferred and relocating because of having to take care of a child or parent. Also, employees are allowed to limit their workplaces and change course. In this way, they can choose a work style suitable for their life stage.

Asahi Breweries, Ltd.

- Asahi Group HR personnel interview Group employees taking childcare leave in connection with the various formalities related to in-house systems and childcare leave.

- The Asahi Group is lending company smartphones to Group employees using maternity and childcare leave systems and providing them with conditions for browsing in-house information and the like during their leave.
- Asahi Group HR personnel interview maternity and childcare leave system users before they return to work. The officers prepare them for their return through careful interviews on their wishes regarding job details and their present living conditions.
- To encourage employees to use the skills, knowledge, and ability to execute on tasks they have developed, the Asahi Group has established a Side Business System in which secondary employment is permitted under certain conditions.

Activities Relating to Work Hours

To create a corporate culture that enables employees to work in good health, Major Asahi Group Companies in Japan are committed to reducing regular working hours, controlling long working hours, and encouraging the taking of annual paid leave. Intervals between on-duty hours and the visualization of overtime support the management of your and your team's working hours. Health Improvement Leave applies to overtime work of 60 hours or more.

Education and Training

Training and Awareness-Raising to Support the Empowerment of Women in the Workplace

Career Support for Female Employees

In the Major Asahi Group Companies in Japan, we conduct the following seminars to support women's career development, which leads to the development of female officers.

| Activity | Content/Target |
|--|---|
| Career Development Seminar for Women | Provides an opportunity for young female employees to think about their career plans through interaction with senior female employees |
| Leadership Training for Women | Helps women who are leaders of business companies within Japan to further climb the corporate ladder |
| Dispatching future leadership candidates to training held by external bodies | Helps female employees learn the knowledge and skills required of leaders |
| Dispatching female employees to external training | For female employees at all levels |

Raising Awareness among Employees

The Asahi Group works to raise employees' awareness with the aim of promoting understanding of DE&I and work-life balance. We share stories of female work styles and men who actively take part in child-rearing on the company intranet and in the in-house magazine. We also regularly communicate top management's ideas on the importance of DE&I.

▶ Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ▶ **Activities**



Raising Awareness among Managerial Employees

Major Asahi Group Companies in Japan provide their managerial-level employees with e-learning and training programs on DE&I and unconscious bias. At the meeting, the company promotes their understanding of internal programs related to childcare, nursing care, and others, in addition to giving the participants an opportunity to think about the importance of promoting DE&I for improving the corporate value.

Raising Awareness among New Line Heads

Major Asahi Group Companies in Japan provide newly appointed line heads with training for new line heads, through which the Group raises their awareness of DE&I. In this training, the Group promotes their understanding of internal programs related to childcare, nursing care, and others, in addition to giving the participants an opportunity to think about the importance of promoting DE&I for improving the corporate value.

Programs for Learning about Considerations for Disabled Persons, Older Adults, and Other People from Diverse Backgrounds

Major Asahi Group Companies in Japan require their employees to take the Universal Manners Test organized by Japan Universal Manners Association. Universal manners are defined by the Association as the mindset

and actions for willingly interacting with older adults, disabled persons, stroller users, non-Japanese people, and other people from diverse backgrounds. The Asahi Group seeks to enhance its corporate value by encouraging its employees to, with the use of the Universal Manners Test, understand the problems faced by many different people together with those people's feelings and to apply that understanding to their everyday life and work.

Number of People Who Took the Universal Manners Test

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------|------|------|------|------|------|
| Level 3 | 153 | 206 | 89 | 531 | 229 |
| Level 2 | 29 | 31 | N/A | N/A | N/A |

Notes:

1 Scope of aggregation: Entire Asahi Group (Click here [for more information](#))

2 Figures as of December 31 each year

3 Due to COVID-19, in 2020, 2021, and 2022, we had no Level 2 session as it involves attendees' gathering at the same place.

Training to Prevent Sexual Harassment and Bullying

The Asahi Group has declared that it fulfills its obligation to consider the safety of employees, protects their lives and physical well-being together with their health, and takes a firm stance against all forms of harassment, including sexual harassment and bullying.

The Group companies provide e-learning on power harassment prevention training by outside lawyers. The training includes definitions, case studies, and practical measures to be taken in the event of incidents. In 2022, about 10,000 employees attended.

In Japan, we also provide newly appointed managerial

personnel and Crisis Management personnel with workplace harassment training, where participants can share knowledge on various compliance-related risks from their perspectives as managers and hold discussions focusing on the issues of sexual harassment and bullying.

These activities will bolster the prevention framework by promoting a deeper and broader understanding of harassment and general compliance risks on the part of each employee. Moving forward, we will continue to raise awareness to better promote a friendly work environment.

Related Information [▶ Human Rights Due Diligence](#)

► Fostering the Ideal Corporate Culture: Growth through Learning



Management

Approach

The Asahi Group Philosophy (AGP) includes a list of “Our Principles,” and one of these principles is “Foster a corporate culture that promotes individual and company growth.” In order to become a learning organization in which both individuals and the organization continue to learn, it is important to provide employees with diverse growth opportunities linked to management policies, and for employees to independently embrace challenges and build rich careers. Based on this way of thinking, the Asahi Group will continue to provide growth opportunities in response to changes in the operational environment and the career consciousness and needs of a diversifying workforce.

Policies

Learning Organization Statement

We believe in ‘Learning for All’ and at Asahi we will continuously learn and adopt to sustain our competitive advantage.

We commit to building a learning culture that enables everyone to learn, unlearn and relearn. In our culture, learning flourishes, people can learn easily and quickly, and knowledge is shared.

By becoming a “learning organization”, we will

enrich our lives, enhance our well-being and find meaning as individuals, within teams and as a global business.

Governance

At a global level, through regular meetings with learning & development personnel at each Regional Headquarters, the Asahi Group discusses plans for cross-Group human resources assignment and globally shared training programs, and then proceeds to execution.

Within Japan, the Group has established a training system that offers educational programs systematically designed for every stage in employees’ careers, from their first induction as new recruits to advanced training for corporate leaders, with Asahi Group Japan, Ltd. and major operating companies in Japan playing a central role. Additionally, a Talent Management Conference with attendees from the Human Resources Departments at Asahi Group Japan, Ltd. and major operating companies in Japan is held regularly. The purpose of this conference is to plan training programs, chiefly for the next generation of corporate leaders, and discuss systematic reassignment and deployment of personnel. Furthermore, the Career Ownership Section at Asahi Group Japan, Ltd. plays a central role in making qualified career counselors available and establishing systems that support employees in proactively shaping their own careers.

Risk Management

The Asahi Group recognizes the risks of loss of opportunities for employee growth having negative effects on stakeholders and the Group’s operations. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by the Human Resources Department of Asahi Group Holdings, Ltd., and are identified, prioritized, responded to, and monitored on an ongoing basis.

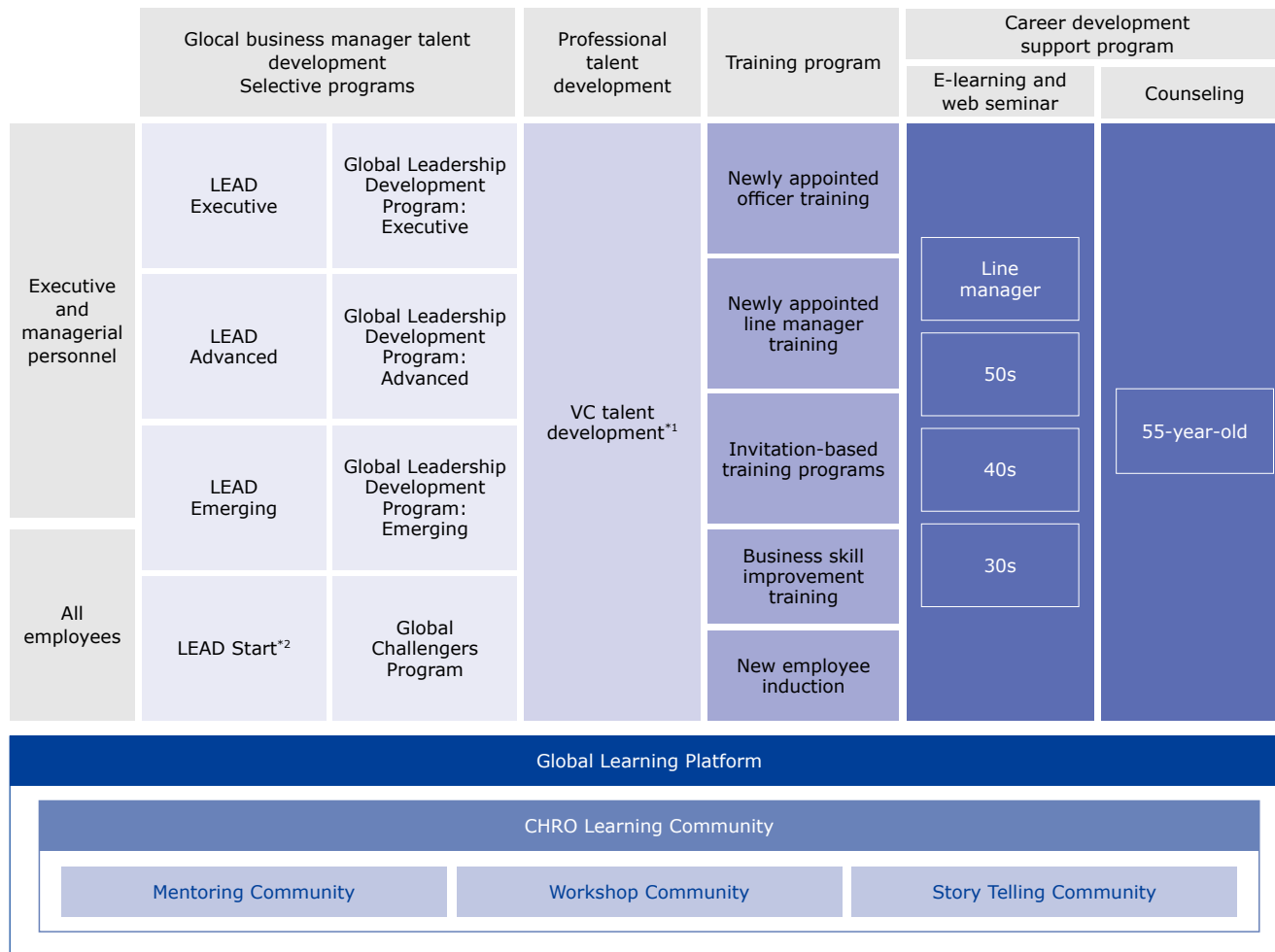
► **Fostering the Ideal Corporate Culture: Growth through Learning** ► **Management**



Strategies

In addition to selective training programs for both Japan and international employees, the Asahi Group provides training programs by role, position, and division at each of the Asahi Group companies. We have been running a program called LEAD for the development of future management candidates at all levels, with the aim of systematically training talented people from an early stage who will be able to keep on winning against the global competition in the VUCA era.

In 2023, we began the rollout of a Global Learning Platform allowing Asahi Group employees around the world to connect with, learn from, and inspire each other to greater heights. On our Global Learning Platform, we have established a CHRO Learning Community that encourages growth through mutual teaching and learning on the part of participating employees. By establishing a Mentoring Community where members can become mentors and mentees across regions and company divisions, a Workshop Community where members can teach each other about their specialist domains, and a Story Telling Community where leaders from each Regional Headquarters can engage in dialogue with employees in different areas, we will foster personal and organizational development through collaboration within the Group and more fully embody the learning organization we aim to be.



*1 VC: value creation

*2 LEAD: Leadership Enhancement Agility Development, a program designed to train corporate leaders

▶ **Fostering the Ideal Corporate Culture: Growth through Learning** ▶ **Management**



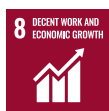
Metrics and Targets

The Asahi Group will realize the AGP by developing human resources who can consider business on a global scale, take on new challenges on their own to bring innovation, and contribute to the sustainable growth of the company.

Group-wide Targets

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|---|
| AGH | Achieve the following targets for the numbers of participants in training programs: <ul style="list-style-type: none"> • LEAD (a program to develop business leaders in Japan): 80 • Global Leadership Development Program (a program to develop glocal business leaders): 20 • One Young World (an external training program focused on resolving global issues): 15 | 8.5 |

Related SDGs



- Related Information
- ▶ Diversity, Equity and Inclusion
 - ▶ Respect for Human Rights

Related Information ▶ [Progress on Material Issue Initiatives \(in 2022\)](#)

► Fostering the Ideal Corporate Culture: Growth through Learning



Performance

Hours of Training on Human Resources Development and Number of Participants

| Program | 2020 | | 2021 | | 2022 | |
|--|-----------------------------------|---------------------|-----------------|---------------------|-----------------|---------------------|
| | Parti- pants | Cumulative hours | Parti- pants | Cumulative hours | Parti- pants | Cumulative hours |
| New employee induction | 240 | 5,400 | 369 | 9,558 | 271 | 6,165 |
| Business skill improvement training | - | - | 140 | 420 | 79 | 237 |
| Newly appointed officer training | - | - | 0 | 0 | 0 | 0 |
| Career development seminar for 30s | 44 | 154 | 33 | 116 | 15 | 60 |
| Career development seminar for 40s | 15 | 53 | 32 | 112 | 31 | 124 |
| Career development seminar for 50s | 31 | 124 | 52 | 182 | 44 | 176 |
| Newly appointed line manager training | 49 | 1,032 | 64 | 256 | 0 | 0 |
| LEAD Start | 34 | 765 | 31 | 930 | 30 | 990 |
| LEAD Emerging | 25 | 2,250 | 23 | 2,070 | 22 | 1,320 |
| LEAD Advanced | 23 | 2,415 | 21 | 2,520 | 20 | 2,400 |
| LEAD Executive | 14 | 1,050 | 13 | 1,365 | 12 | 1,530 |
| Global Challengers Program | 2 | 5,445 | 3 | 3,465 | 4 | 3,150 |
| Global Leadership Development Program: Emerging | - | - | - | - | 14 | 434 |
| Global Leadership Development Program: Advanced | 8 | 24 | 8 | 150 | 14 | 336 |
| Global Leadership Development Program: Executive | Postponed to 2021 due to COVID-19 | | 0 | 0 | 8 | 384 |
| Total | 485 | 18,712 | 789 | 21,144 | 564 | 17,296 |

Average Cost of Training

The Asahi Group is committed to human resources development, with a target of at least 100,000 yen per employee on training in 2023.

Note: Scope of aggregation: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Asahi Group Foods, Ltd.

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---------------------------|
| Average cost of training per employee | Approximately 69,000 yen | Approximately 52,000 yen | Approximately 39,000 yen | Approximately 60,000 yen | Approximately 108,000 yen |

Note: Scope of aggregation: Up to 2019, only Asahi Breweries, Ltd. From 2020, ● Major Asahi Group Companies in Japan.

▶ Fostering the Ideal Corporate Culture: Growth through Learning

Activities

Selective Programs

LEAD Program

Under this program, the Asahi Group uses an open recruitment or nomination process to select employees who strongly aspire to become future corporate directors from every level within Asahi Group companies in Japan and offer them opportunities to network within the Group and acquire diverse perspectives, cultivating their potential as corporate directors from a medium-term perspective.

LEAD Executive

Executive candidates are selected from Asahi Group companies in Japan and they participate in a nine-month program to improve their practical skills to the level a business manager is expected to perform at. The program works in cooperation with Japanese graduate schools and similar programs. We also have a more practical program for the simulation of business management.

LEAD Advanced

Managers and heads who are expected to become executives are selected from Asahi Group companies in Japan. They participate in a seven-month program in cooperation with Japanese graduate schools focused on business management. Students formulate an agenda of business strategies they would implement when they become a corporate manager in the future. In this way they are encouraged to establish their own style of business management.

LEAD Emerging

Young senior managers and candidate senior managers are selected from Asahi Group companies in Japan to participate in this six-month program. In the program, they formulate a new project plan utilizing the Asahi Group companies' resources. In this way, they develop their ability to build a business model.

LEAD Start

Young employees aged around 25 are selected from Asahi Group companies in Japan to participate in this three-day program. They play the role of an executive and experience the perspective that a corporate manager is supposed to have. The goal of the program is to motivate young employees to aspire to become corporate managers.

Global Leadership Development Program (GLDP)

The GLDP was introduced in 2014 with the goal of helping global leader candidates deepen their understanding of our business management principles, including our history and the Asahi Group Philosophy (AGP), acquire a global perspective, more deeply understand employees from different regions, and build networks.

GLDP Executive

The six-month action learning program targets Japan and international executives with the goal of reinforcing Asahi's global management strengths based on the AGP.

GLDP Advanced

Targeting Japan and international heads, the program formulates a global, mid- and long-term strategy agenda based on the AGP. It involves a six-month action learning program and provides recommendations to the executives of Asahi Group Holdings, Ltd.

GLDP Emerging

Designed for manager-class employees, GLDP Emerging involves a six-month action learning program to formulate mid- and long-term proposals for creating new value based on the AGP, and provides recommendations to the senior management of Asahi Group Holdings, Ltd.

Global Challengers Program (GCP)

OJT (on-the-job training) is provided at Asahi Group companies outside Japan with the objectives of achieving global business management with value creation based on the AGP and systematically developing, from early stages, human resources who will become capable of taking on leadership roles in a global market during VUCA era. GCP targets young Japanese employees who aspire to become global business managers or staff. Asahi Group Holdings, Ltd. selects employees with linguistic skills and an aptitude for cross-cultural understanding to participate in GCP.

- Started in 2010, the program sends employees outside Japan for between one year and one and a half years with the goal of systematically developing, from early stages, human resources that will be capable of pursuing global

▶ Fostering the Ideal Corporate Culture: Growth through Learning ▶ **Activities**



careers. To date, more than 50 employees have been sent outside Japan in the program.

- In 2018, we launched a new program for dispatching employees to newly acquired beer companies in Europe and one for dispatching mid-career employees for several months to enable them to acquire more practical business abilities.

One Young World

As part of its initiatives to cultivate human capital, the Asahi Group participates in One Young World, a global summit that aims to foster the next generation of leaders and facilitate international exchange.

Along with sending young employees from various countries and regions to mingle with the next generation of leaders who have gathered from around the world, the Group aims to reinforce communication between employees in different departments.



Training Programs

For Executive and Managerial Personnel

Newly Appointed Group Line Manager Training

To manage the personnel evaluation system appropriately, every single supervisor who is in a position to evaluate their subordinates (line head) must have an adequate understanding of the system. It is also important that each line head should evaluate all of their subordinates in a fair manner based on specific criteria, without bias.

Major Asahi Group Companies in Japan therefore offer training for new line heads and follow-up training to ensure that new line heads meet the above requirements and to ensure that the results of evaluations are more convincing for the employees who are evaluated.

The training program is held every October for employees who have recently become line heads for the first time. These line heads receive new line head follow-up training in the following May. The aim and content of the evaluation system are obviously covered, but other topics include tendencies that the evaluators can fall into and appropriate countermeasures, adjustment of evaluations, and promotion of the understanding of diversity—which is one of our behavioral evaluation indices. By providing explanations on these topics, we promote understanding and try to prevent any discrepancies in our evaluations.

For All Employees

Brother and Sister System and Career Advisor System

Major Asahi Group Companies in Japan ensure the efficient integration of new hires into the company through a program in which senior colleagues who have completed the required training provide guidance in their respective divisions. Another program supports the professional development of young employees through empathetic, face-to-face career conversations with retired employees who have been re-hired as contract workers.



New Employee Induction

Major Asahi Group Companies in Japan jointly provide induction training to new employees. A program is being independently provided with the goal of enhancing understanding of the AGP and the Asahi Group as a whole, and to facilitate the learning of business manners.

▶ Fostering the Ideal Corporate Culture: Growth through Learning ▶ **Activities**



Career Development Support Programs

The Asahi Group supports its employees independently building their careers.

■ Career Design E-learning

Major Asahi Group Companies in Japan have developed Career Design e-learning programs since 2020. The goal of these training programs is to encourage employees to learn the concept of career design and independently build their careers.

■ E-learning Program for Supervisors to Improve their Career Interviews

Since 2020, Major Asahi Group Companies in Japan have developed an e-learning program for supervisors who conduct career interviews. The goal of this program is to improve supervisors' interview skills.

■ Web Career Design Seminars

To deepen employees' learning from e-learning programs, Major Asahi Group Companies in Japan launched career design seminars for employees in their 30s, 40s, and 50s. From 2020, they have been made available online to enable teleworkers to participate.

■ Online Career Interviews

Asahi Group Holdings, Ltd. established a Career Support Group within its Human Resources Department, and online career interviews by nationally qualified career consultants are provided at [▶ Major Asahi Group Companies in Japan](#).

Number of Participants in Career Development Support Programs

| Support Programs | 2021 | 2022 |
|---|------|------|
| Career Design e-learning | 389 | 198 |
| E-learning Program for Supervisors to Improve their Career Interviews | 84 | 24 |
| Web Career Design Seminars | 117 | 90 |
| Online Career Interviews | 229 | 283 |
| Total | 819 | 595 |

► Fostering the Ideal Corporate Culture: Better Together



Management

Approach

The Asahi Group sees creating synergy as a significant strength for Group management. It views the creation of synergy through internal coordination and communication as a form of collaboration, and intends to strengthen these capabilities further in future. The Group also includes “Shared inspiration” as one of its values in the Asahi Group Philosophy. By engaging in collaboration not only organizationally but at the level of individual employees, the Group aims to foster a corporate culture where employees share objectives, successes, and emotions.

Governance

The Asahi Group not only shares information at the level of senior management, it also holds meetings for discussions on each organizational function by Asahi Group Holdings, Ltd. and each Regional Headquarters (RHQ). It also operates programs of various types in response to relevant themes. In the Human Resources Department in particular, Asahi Group Holdings, Ltd. and HR managers from each RHQ hold meetings to consider intra-Group interactions between personnel and Group-wide initiatives for creating synergies across the entire Group.

Risk Management

The Asahi Group recognizes the risks of harm to structures for coordination and cooperation between employees resulting in negative impacts on various stakeholders and Group management. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by the Human Resources Department of Asahi Group Holdings, Ltd., and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group has established a strategy that aims to achieve both corporate growth and individual development through cooperation and coordination between diverse human resources within the Group across organizational boundaries. In concrete terms, the Group has established processes for allowing a range of people, from members of the Board of Directors to relatively new employees, to participate in debates about megatrends held in order to identify medium- to long-term issues for the Group, and promotes lively interaction between Group employees. The Group will continue constructing frameworks for horizontally extending the experience, knowledge, and best practices of each organization within the Group.

▶ Continuously Fostering Leadership



Management

Approach

To achieve the long-term strategic goals of the Asahi Group, managers who can lead the management of the Group and global companies are essential. This makes it vital to nurture this talent systematically from a medium- to long-term perspective. The increasingly fierce competition for talent when hiring externally for global key positions in particular shows the necessity of more effective talent review and succession planning within the Group. Moving forward, the Asahi Group will strengthen its schemes for systematically nurturing corporate leaders from a medium- to long-term perspective and strive to establish a competitive remuneration system in line with retention requirements and external competition for talent.

Governance

Executives from Asahi Group Holdings, Ltd. and Regional Headquarters (RHQ) CEOs meet regularly to perform global talent reviews and discuss succession planning for global key positions and future leadership candidates. Regular discussions are also held within each RHQ about succession planning for key RHQ positions.

Risk Management

As the Asahi Group expands its areas of operation globally, its personnel needs are expanding and it is

coming to require different, more advanced skills. Accordingly, the Group recognizes the risks of struggling to execute strategies and achieve objectives if diverse and talented managers and future executives cannot be secured, nurtured, and retained in the numbers required. Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group expects the business environment to change at an ever-accelerating pace in future. In order to continue increasing its corporate value, it will be essential for the Group to strengthen its systems for fostering new managers and strive for stable enrichment of management capabilities. Recognizing this, the Group has developed the new Asahi Global Leadership Competency Model, which defines the competencies required of its leaders. Based on this Competency Model, the Group will work toward visualizing key talent across the entire company through talent reviews that also include RHQs. To foster the necessary human resources, the Global Leadership Development Program (GLDP) will be expanded to a three-tiered structure and produce more than 30 global corporate leaders every year. The Asahi Group will continue to adopt a medium-

to long-term perspective in systematically fostering the management and leadership talent it requires.

►Securing Essential Capabilities



Management

Approach

To achieve the “Ideal Business Portfolio,” “Core Strategies,” and “Strategic Foundation Strengthening” called for in the Asahi Group’s Medium- to Long-Term Management Policy, securing the capabilities necessary for each is vital. Securing capabilities involves fostering and making use of human resources within the Group through assignments beyond the Regional Headquarters (RHQ) level; securing external talent through means that include diversifying recruitment channels and strengthening recruitment competitiveness in alignment with remuneration schemes; and making use of external resources by strengthening external alliances and networks. By combining these as appropriate, the Group is working to secure flexible capabilities suited to the business environment.

Governance

At the Group level, the Corporate Strategy Board of Asahi Group Holdings, Ltd. holds discussions to identify the capacities required for the Group as a whole and develops concrete strategies for securing them. Additionally, each RHQ discusses and identifies the capabilities they will require based on their Medium- to Long-Term Management Policy. Meetings are also held between Talent Management Specialists both in Asahi Holdings, Ltd. and each RHQ, where the Group explores plans for deploying best practices and assigning human resources, aiming to maximize its capabilities across organizational boundaries.

Risk Management

As the Asahi Group expands its areas of operation globally, its personnel needs are expanding and it is coming to require different, more advanced skills. Accordingly, the Group recognizes the risks of struggling to execute strategies and achieve objectives if capabilities cannot be secured. Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group has discussed the capabilities it will need in the medium term, with the discussion centering around its “Ideal Business Portfolio” strategy, the sustainability strategy that is one of its “Core Strategies,” and “Strategic Foundation Strengthening,” all of which are called for in its Medium- to Long-Term Management Policy. In order to secure capabilities, the Group is working to make use of Group human resources in a way that assigns the right people to the right positions and fosters development, and also striving to secure human resources with superior specialist skills. The Group is further aiming to bolster its ability to access the necessary capabilities by combining these efforts with the use of external resources through partnerships and alliances.

Activities

Utilizing Group Personnel

We opened up recruitment globally after establishing the investment company Asahi Group Beverages & Innovation, LLC in the United States in 2022. There were over 20 applicants from various countries and regions, and ultimately four people with diverse experience and backgrounds were selected from the Netherlands, Australia, and Japan. Additionally, we held open recruitment for the position of Global Technical Lead in the supply chain department of Asahi Group Holdings, Ltd., appointing an employee living in Australia.



Founding members of US investment company



Protect the Gifts of Nature

Environment

The Asahi Group uses the gifts of nature to create its products and services. Without these gifts, the Group would be unable to continue its business operations. Accordingly, we will work to protect the gifts of nature by actively promoting efforts to address a wide range of environmental issues.



► Environmental Policies



Environmental Principles

The Asahi Group Environmental Principles are defined by the Asahi Group based on the Asahi Group Philosophy.

The Asahi Group Environmental Principles define the attitudes to the environment, disclosed by the Asahi Group

The Asahi Group Environmental Principles

We, the Asahi Group, will comply with this policy as a guideline for all employees to proactively address environmental issues, and will work together with our stakeholders to realize Planet Positive as envisioned in our Environmental Vision 2050.

1. Create Environmental Management System

We will create a management system for regularly monitoring environmental activities, and take actions toward continuous improvements.

2. Proactively Promote Environmental Activities by Employees

We will support and develop our people to proactively promote environmental activities on their own, and engage in efforts to foster the corporate culture and raise the environmental awareness of society as a whole.



3. Strengthen Efforts for the Global Environment

We will endeavor to preserve the global environment through efforts such as the prevention of pollution, sustainable use of resources, mitigation of and adaptation to climate change, and protection of biodiversity.



4. Collaboration with Stakeholders

We will collaborate with stakeholders from diverse backgrounds, including local communities, and endeavor to create environmental value based on innovation and generates synergies.



5. Promote Engagement

We will disclose information in a way that is transparent and reliable, and proactively engage in communication with stakeholders.



6. Compliance

We will comply with environmental laws and regulations of each country/region, international rules, and the standards of the industry and our own Company.



as a corporate group that creates most of its products with “gifts of nature.” These principles are aimed at addressing environmental issues proactively, as all the employees in the Asahi Group follow these principles. The principles were reviewed along with the revision of the Asahi Group Environmental Vision 2050 in February 2023.

Asahi Group Environmental Vision 2050

The Asahi Group engages in business operations that utilize the gifts of nature, including water, agricultural products, and other raw materials. In our pursuit of the highest quality and the continuous creation of delicious products that exceed customer expectations, we formulated the Asahi Group Environmental Vision 2050 in 2019 and began advancing activities to achieve it. In February 2023, we revised this Vision with the goal of accelerating our environmental initiatives and maximizing our impact on business and society.

This Vision describes what we would like the world to be like in 2050, with the concept “Planet Positive” to convey our objectives of having a positive impact on the planet and handing down the gifts of nature to future generations.

In preparing this Environmental Vision, a project team including members from the Asahi Group’s Regional Headquarters (RHQs) in Japan, Europe, Oceania, and Southeast Asia was formed to take into account the perspectives of each region. We also incorporated the advice of an outside expert: Takejiro Sueyoshi, Special Advisor to the United Nations Environment Programme Finance Initiatives in the Asia Pacific Region.

We also collected ideas from Asahi Group employees of diverse affiliations and nationalities under the age of 35, the future generation that will be responsible for 2050, to define what the Asahi Group would like the world to be like, to concretize the means to achieve it, and to reflect these ideas in unique strategies and initiatives.

▶ Environmental Policies



Metrics and Targets

▶ [Asahi Group Material Issues](#)

Related Information

▶ [Respond to Climate Change](#)

▶ [Biodiversity](#)

▶ [Sustainable Packaging](#)

▶ [Sustainable Agricultural Raw Materials](#)

▶ [Sustainable Water Resources](#)

▶ [Reduction of Waste and Prevention of Pollution](#)

▶ [Realize Sustainable Supply Chains](#)

▶ [Asahi Forest](#)

► Environmental Policies



Asahi Group Environmental Vision 2050

We, the Asahi Group, have been enjoying the gifts of nature to create our products and services for over 100 years. We are concerned that the worsening global environmental issues threaten not only the sustainability of our business but also the survival of humanity if we do not act accordingly.

As we would be unable to continue our business without the gifts of nature, we are determined to achieve Planet Positive, which will reduce the burden on the environment from our business to zero, and maximize value to the global environment through circularity.

What We Would Like the World to Be Like in 2050



| Climate Change | Packaging | Agricultural Raw Materials | Water Resources |
|---|---|---|--|
| Beyond Carbon Neutral | A Society Free of Packaging Waste | Sustainable Agricultural Raw Materials | Healthy Watersheds for People and Nature |
| A world towards a carbon-free society, where carbon emissions are reduced in society as a whole, beyond the boundaries of business, and biodiversity is preserved | A world where the use of resources to make packaging is minimized, used packaging is recycled, and especially, marine biodiversity is preserved | A world where farming is carried out while considering the environment, respecting human rights and realizing regional revitalization, and there is a balance between stable production and preservation of the ecosystem | A world where the appropriate quality and quantity of water and the function of the soil are preserved for maintaining health, living environments, and biodiversity, and resilience against natural disasters is enhanced |

Asahi Group's Efforts to Realize Its Vision

At the Asahi Group, we carry out efforts to minimize the resources used and maximize circularity through the value chain, and generate synergy by creating strategic partnerships with stakeholders, with the aim of realizing what we would like the world to be like in 2050.

| Climate Change | Packaging | Agricultural Raw Materials | Water Resources |
|--|--|---|--|
| Complete an early transition to renewable energy | Minimize use of resources | Procure farm products with consideration for the environment and human rights | Promote water recycling through optimizing water usage |
| Promote decarbonization of fuel | Use of eco-friendly materials | Use of microorganisms and use of recycled by-products | Build a system of collaboration through river basin cooperation |
| Realize both the reduction of CO2 emissions across the value chain and preservation of the ecosystem | Develop products that do not generate waste | Preserve ecosystem through soil improvement | Preserve ecosystem by maintaining appropriate water quality and quantity |
| Develop and deploy technologies for reduction, absorption, and collection | Preserve marine ecosystem through the build-out of a closed loop | Revitalize farming communities through support for farmers/growers | Improve water access in water-stressed regions |

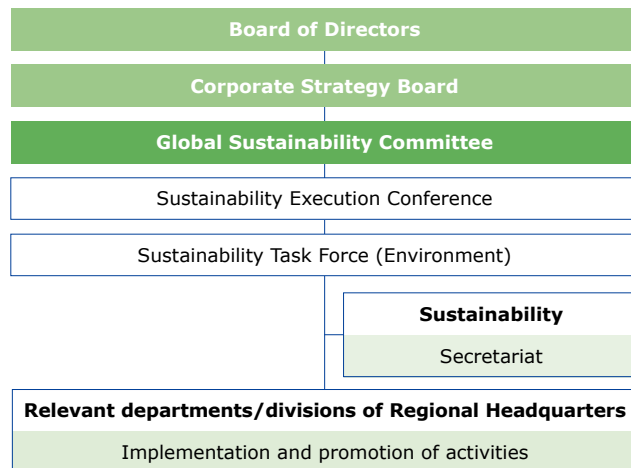
► Environmental Management



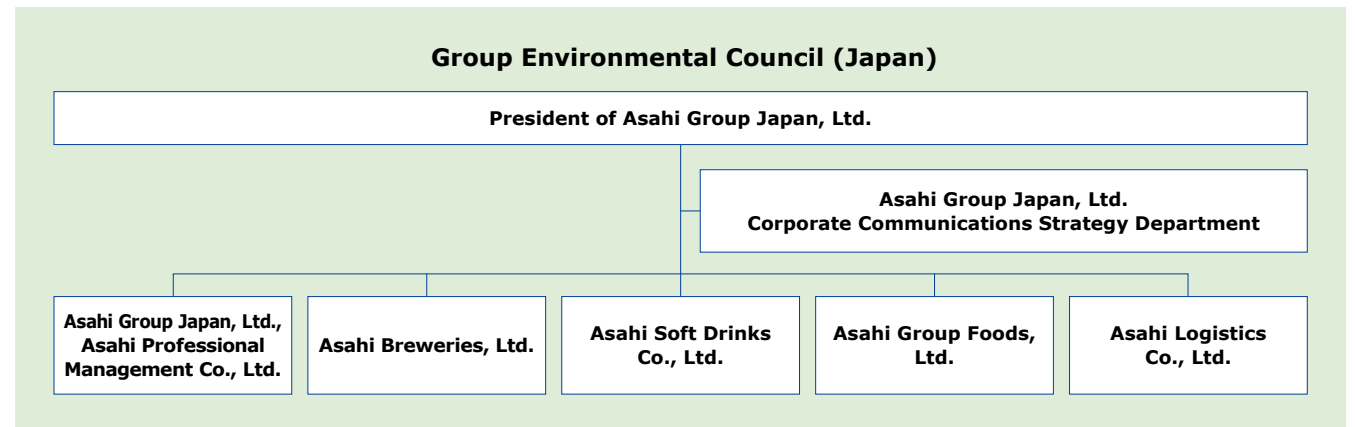
Environmental Management System

The Asahi Group has created a management system for tackling sustainability issues, including environmental issues throughout the Group, via the Global Sustainability Committee, which is chaired by the CEO of Asahi Group Holdings, Ltd. The commitment to environmental management applies to Asahi Group Japan, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd. In Japan, we have established a Group Environmental Council, headed by the President of Asahi Group Japan, Ltd., and an ISO Secretariat Liaison Meeting about ISO 14001 Group integrated certification. The Council sets targets for achieving the Asahi Group Environmental Vision 2050 as well as monitoring and assessing the progress of the Group’s environmental activities.

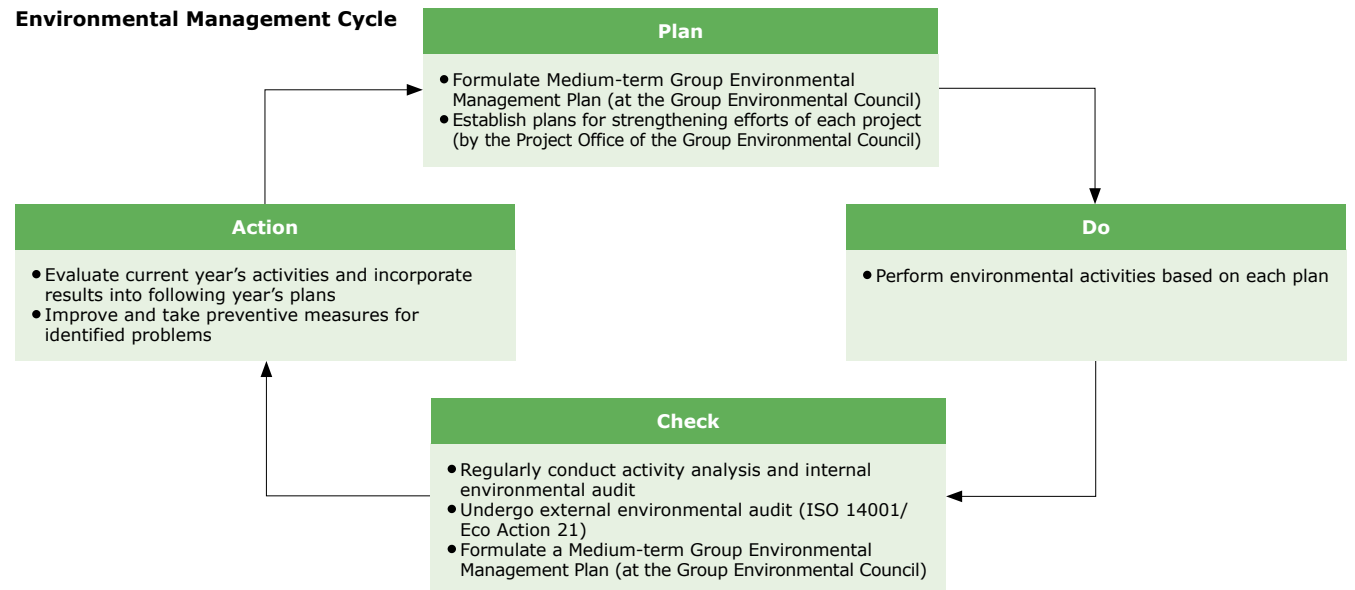
Environmental Management System



Environmental Management System (in Japan)



Environmental Management Cycle



► Environmental Management

Initiatives Taken at Each Factory

Each factory of the Asahi Group has an environmental management committee which, chaired by the factory manager, advances environmental activities by turning the PDCA cycle to run environmental management systems for compliance with ISO 14001 and other regulations. The aim is to achieve the Group's environmental goals based on the Asahi Group Environmental Principles and the Asahi Group Environmental Vision 2050. Furthermore, each factory not only takes action on its own, but shares successful case studies within the Group, thinking creatively to laterally spread the activities to the entire Group.

Monitoring and Assessment of Achievements and Progress

The ISO 14001 Secretariat Office of the Asahi Group and each of its companies regularly updates and analyzes the outcomes and progress of our environmental activities. It reports the findings of this analysis at the Group ISO 14001 Liaison Meeting, which is a subordinate body of the Group Environmental Meeting. The outcomes are utilized in formulating plans for the subsequent term and fiscal year.

In-Company Environmental Training

In accordance with ISO 14001 and Eco Action 21,* training on Environmental Guidelines and environmental objectives are implemented at Asahi Group companies. Using our environmental education tools, we try to instill environmental awareness in our staff members.

Furthermore, the major Group companies in Japan have

acquired ISO 14001 integrated certification and provide environmental education through the training of ISO 14001 internal inspectors of the Group in a Group-wide effort to improve skills in environmental management.

*Eco Action 21

Eco Action 21 provides industry, academic institutions, and public bodies with a framework for the design and operation of effective and efficient environmental systems. The framework comprises a set of shared objectives that can be used to assess, evaluate, and report on environmental initiatives. Eco Action 21 is backed by the Ministry of the Environment.

Environmental Training

| Implementation theme | Content | Implementation format | Targeted audience | Implementation period | No. of people attended | No. of training hours |
|--|---|--|---|--|--|--|
| Environmental risk management seminar | Waste management | Lectures, case studies, certification exams | Waste management staff for Group companies in Japan | November 2017 | Approx. 100 | 5 hours |
| | | | | November 2018 | Approx. 100 | 5 hours |
| | | | | December 2020 | Approx. 155*1 | 5 hours |
| | | | | December 2021 | Approx. 100*1 | 5 hours |
| | | | | December 2022 | Approx. 100*1 | 5 hours |
| Training of ISO 14001 internal inspectors of the Group | ISO 14001 environmental management | Lectures, workshops, examinations | ISO 14001 implementation representatives of Group companies in Japan | March 2019 (four times) | Approx. 100 | 30 hours in total |
| | | | | February 2020 (two times), October, November (eight times) | Approx. 200*2 | 70 hours in total |
| | | | | May 2021 (four times), October, November (two times)*1 | Approx. 150 | 42 hours in total |
| | | | | May 2022 (four times), November (two times)*1 | Approx. 180 | 42 hours in total |
| Group environmental education in Japan | Overall environmental issues | E-learning | All employees of 30 Group companies in Japan | November, December 2022 | 13,692 Rate of participation 97.2% | Approx. 10 minutes/person |
| Asahi Breweries' environmental education | New employee training | Lecture form | New employees of Asahi Breweries, Ltd. | April 2022 | 52 | Approx. 30 minutes/person |
| | Workshop with persons taking charge of compliance with ISO 14001 | Lecture form | Persons at headquarters in charge of compliance with ISO 14001 | October 2022 | 18 | Approx. 1 hour/person |
| Asahi Soft Drinks Group's environmental education | Overall environmental issues and activities of Asahi Soft Drinks Group | E-learning | All employees of Asahi Soft Drinks Group | February 2022 | Approx. 3,500 Rate of participation 99% | Approx. 15 minutes/person |
| Asahi Group Foods' environmental education | Workshop with persons newly taking charge of compliance with ISO 14001 | Lecture form | Persons in charge of compliance with ISO 14001 | February, May, September 2022 | 11 attendees | 2 hours/person |
| Asahi Logistics Group environmental education | (1) Environmental awareness education (general environmental issues) (2) Specialized environmental education (recognition as ISO staff member) | (1) E-learning + printed materials (2) E-learning | (1) All employees of Asahi Logistics Group (2) Asahi Logistics Group ISO 14001 environmental managers, promotion staff, and administrative staff | (1) February, March 2022 (2) November 2022 | (1) 3,099 attendees Rate of participation 100% (2) 269 attendees | (1) 30 minutes/person (2) 30 minutes/person |

*1 Held online

*2 Partly held online

► Environmental Management

Compliance with Environment-Related Laws and Regulations

Each factory of the Asahi Group not only supports and complies with environment-related laws and regulations (such as the Act on Promotion of Global Warming Countermeasures and the Act on Rationalizing Energy Use in Japan), but strives for environmental management by setting up voluntary standards that are more stringent than the legal standards even for wastewater processing and boiler equipment. The Asahi Group companies in Japan report their energy consumption and achievement of energy saving targets to authorities on an annual basis. In addition, we make policy recommendations for building a decarbonized society through participation in non-state actors' initiatives. For example, in April 2021, we supported Japan's new 2030 greenhouse gas (GHG) emissions reduction target.

List of Environment-related Laws and Regulations

1. Climate Change/Global Warming

- Act on Promotion of Global Warming Countermeasures
- Act on the Rational Use of Energy
- Act on Rational Use and Appropriate Management of Fluorocarbons
- Tokyo Metropolitan Environmental Security Ordinance

Note: Initiatives to avoid climate change ("soft law")
SBT (Science Based Targets: greenhouse gas reduction targets based on scientific grounds)
TCFD (Task Force on Climate-related Financial Disclosures: a task force for the disclosure of financial information relating to climate change)

2. Waste Recycling

- Basic Act on Establishing a Sound Material-Cycle Society
- Act on the Promotion of Effective Utilization of Resources
- Waste Management and Public Cleansing Law
- Containers and Packaging Recycling Act
- Act concerning the Promotion of Utilization of Recyclable Food Waste
- Food Loss Reduction Promotion Act
- Home Appliance Recycling Act
- Small Home Appliance Recycling Law
- Construction Recycling Act
- Act on Promoting Green Purchasing
- Act on Plastic Resource Recycling Promotion

3. Pollution/Land Usage

- Air Pollution Control Act
- Water Quality Pollution Control Act
- Private Sewerage System Act
- Sewerage Service Act
- Offensive Odor Control Act
- Noise Regulation Act
- Vibration Regulation Act
- Industrial Water Act

- Factory Location Act
- Soil Contamination Countermeasures Act
- Act on Improvement of Pollution Prevention Systems in Specified Factories
- Act on Special Measures concerning the Conservation of the Environment of the Seto Inland Sea
- Act on Compensation for Pollution-related Health Damage

4. Other

- Basic Environment Law
- Food Sanitation Act
- Water Supply Act
- Pollutant Release and Transfer Register Act
- Industrial Safety and Health Act
- Fire Service Act
- High Pressure Gas Safety Act
- Poisonous and Deleterious Substances Control Act
- Act on Special Measures concerning Countermeasures against Dioxins
- Act on Special Measures concerning PCB Wastes
- Act on Recycling of Vehicles
- Automobile NOx and PM Control Act
- Building Standards Act
- Nature Conservation Act
- Agricultural Chemicals Regulation Act
- Fertilizer Control Act
- Act on Enhancing Motivation on Environmental Conservation and Promoting of Environmental Education
- Basic Act on Biological Diversity



▶ Environmental Management

Status on the Acquisition of Certification for the Environmental Management System

The Asahi Group is committed to the ISO 14001 environmental management system (EMS) and Eco Action 21 certifications.

In August 2019, the Group expanded the scope of its certification efforts to include Asahi Breweries, Ltd. and sales companies of Asahi Soft Drinks Co., Ltd., and acquired ISO 14001 group integrated certification for its major Group companies in Japan. By integrating ISO 14001 certifications for the Group, we are continuously striving to raise the level of environmental management throughout the Asahi Group and to strengthen our environmental preservation activities. By sharing environmental best practices and non-compliances, the whole Asahi Group is oriented toward organizationally gearing the PDCA cycle to the pursuit of the Asahi Group Environmental Vision 2050.

The organization names in the certification list below are as of the acquisition of the relevant certification and belong to companies that were within the scope of application of the Asahi Group's environmental management as of the end of 2022. Eighty-two percent of these organizations have received ISO 14001 certification at a manufacturing site under management on a global level.

Status on the Acquisition of Certification at Each Site

Asahi Group Japan, Ltd.

| Business unit | Type | Granted |
|--|-----------|-------------|
| Head Office (Asahi Professional Management Co., Ltd.; Asahi Breweries, Ltd.; Asahi Soft Drinks Co., Ltd.; Asahi Orion Inryo Co., Ltd.; Asahi Group Foods, Ltd.; Nippon Freeze Drying Co., Ltd.; Wako Food Industry Co., Ltd.; Asahi Logistics Co., Ltd.; East Japan AB Cargo Co., Ltd.; West Japan AB Cargo Co., Ltd.) | ISO 14001 | August 2021 |
| Head Office (Asahi Professional Management Co., Ltd.; Asahi Breweries, Ltd.; Asahi Soft Drinks Co., Ltd.; Asahi Soft Drinks Sales Co., Ltd.; Michinoku, Ltd.; Kyushu Asahi Soft Drink Sales Co., Ltd.; Asahi Orion Inryo Co., Ltd.; Asahi Group Foods, Ltd.; Nippon Freeze Drying Co., Ltd.; Wako Food Industry Co., Ltd.) | ISO 14001 | August 2019 |
| Head Office (Asahi Professional Management Co., Ltd.; Asahi Soft Drinks Co., Ltd.; Asahi Group Foods, Ltd.; Nippon Freeze Drying Co., Ltd.; Wako Food Industry Co., Ltd.) | ISO 14001 | August 2018 |

Notes: 1 August 2018: Acquired integrated certification for Asahi Group Holdings, Ltd.; Asahi Professional Management Co., Ltd.; Asahi Soft Drinks Co., Ltd.; Calpis Co., Ltd.; Asahi Group Foods, Ltd.; Nippon Freeze Drying Co., Ltd.; and Wako Food Industry Co., Ltd.
 2 August 2019: Expanded integrated certification to include Asahi Breweries, Ltd.; Asahi Soft Drinks Sales Co., Ltd.; Michinoku, Ltd.; Kyushu Asahi Soft Drink Sales Co., Ltd.; and Asahi Orion Inryo Co., Ltd.
 3 August 2021: Expanded integrated certification to include Asahi Logistics Co., Ltd.; East Japan AB Cargo Co., Ltd.; and West Japan AB Cargo Co., Ltd.

[Related Information](#) [ISO 14001 Certificate of Approval](#)

Asahi Quality & Innovations, Ltd.

| Business unit | Type | Granted |
|--|-----------|----------------|
| Site certification (Head Office and 4 research laboratories) | ISO 14001 | September 2015 |

[Related Information](#) [ISO 14001 Certificate of Approval](#)

Asahi Biocycle Co., Ltd.

| Business unit | Type | Granted |
|---|-----------|-----------|
| Head Office, Moriya Laboratory, Gunma Plant | ISO 14001 | July 2013 |

[Related Information](#) [ISO 14001 Certificate of Approval](#)

Nikka Whisky Distilling Co., Ltd.

| Business unit | Type | Granted |
|---|-----------|---------------|
| Integrated certification (Head Office and 8 distilleries) | ISO 14001 | December 2002 |

Note: Satsuma Tsukasa Distillery received expanded accreditation in September 2018.

[Related Information](#) [ISO 14001 Certificate of Approval \(Japanese only\)](#)

Asahi Beer Malt Co., Ltd.

| Business unit | Type | Granted |
|---|---------------|--------------|
| Integrated certification (Head Office and 2 plants) | Eco Action 21 | January 2006 |

Notes: 1 Manufacturing sites in Japan: 33 factories
 Environmental Management Systems-certified manufacturing sites: 33 factories (as of the end of 2022)
 2 EMS certification obtained for 100% of manufacturing sites in Japan.

[Related Information](#) [Eco Action 21 Certificate of Approval \(Japanese only\)](#)



▶ Environmental Management



Asahi Europe and International Ltd.

| Business unit | Type | Granted |
|--|-----------|---------------|
| Plzeňský Prazdroj, a.s. (Czech Republic) | | |
| Plzen | ISO 14001 | June 2000 |
| Nosovice | ISO 14001 | June 2000 |
| Velke Popovice | ISO 14001 | June 2000 |
| Plzeňský Prazdroj Slovensko, a.s. (Slovakia) | | |
| Saris | ISO 14001 | June 2000 |
| Asahi Netherlands B.V. (The Netherlands) | | |
| Asahi Netherlands B.V. | ISO 14001 | August 2004 |
| Ursus Breweries SA (Romania) | | |
| Buzau | ISO 14001 | November 2005 |
| Brasov | ISO 14001 | April 2008 |
| Timisoara | ISO 14001 | March 2006 |
| Birra Peroni S.r.l. (Italy) | | |
| Birra Peroni S.r.l. (Padova Brewery) | ISO 14001 | May 2007 |
| Birra Peroni S.r.l. (Rome Brewery) | ISO 14001 | May 2006 |
| Birra Peroni S.r.l. (Bari Brewery) | ISO 14001 | May 2004 |
| Dreher Sörgyárak Zrt. (Hungary) | | |
| Budapest | ISO 14001 | October 1998 |
| Kompania Piwowarska SA (Poland) | | |
| Poznan | ISO 14001 | July 2001 |
| Bialystok | ISO 14001 | August 2005 |
| Tychy | ISO 14001 | July 2001 |

Asahi Holdings (Australia) Pty Ltd.

| Business unit | Type | Granted |
|---------------|-----------|---------------|
| Tullamarine | ISO 14001 | December 2009 |
| Huntingwood | ISO 14001 | December 2005 |
| Wulkuraka | ISO 14001 | January 2006 |
| Albury | ISO 14001 | December 2018 |
| Welshpool | ISO 14001 | July 2018 |
| Laverton | ISO 14001 | December 2019 |
| Renmark | ISO 14001 | December 2020 |
| Papakura | ISO 14001 | December 2019 |

Asahi Holdings Southeast Asia Sdn. Bhd.

| Business unit | Type | Granted |
|---------------|-----------|----------------|
| Bangi | ISO 14001 | September 2015 |
| Meru | ISO 14001 | February 2021 |

Notes: 1 Manufacturing sites outside Japan: 35 factories
Environmental Management Systems-certified manufacturing sites: 25 factories (as of the end of 2022)
2 EMS certification obtained for 71% of manufacturing sites outside Japan.

Environmental Audits

The Asahi Group has external audits conducted by external certification bodies based on ISO 14001 or the Eco Action 21 environmental management system. Internal environmental audits by internal audit teams are also conducted periodically in the individual business units in Japan. Aside from these audits, audit divisions of head offices in the Asahi Group companies periodically conduct internal audits to ensure the validity of environmental activities in our business locations.

Head Office Audits (2022)

Audit Scope (Japan)

| | |
|-----------------|--|
| Group companies | <ul style="list-style-type: none"> Asahi Breweries, Ltd. Asahi Draft Marketing Co., Ltd. Enoteca Co., Ltd. Nadaman Co., Ltd. Asahi Food Create, Ltd. Asahi Soft Drinks Co., Ltd. Asahi Soft Drinks Sales Co., Ltd. Michinoku, Ltd. Kyushu Asahi Soft Drink Sales Co., Ltd. Asahi Orion Inryo Co., Ltd. Asahi Group Foods, Ltd. Nippon Freeze Drying Co., Ltd. Wako Food Industry Co., Ltd. Asahi Logistics Co., Ltd. |
|-----------------|--|

Audit Results (Environmental Management)

| | |
|---------------------------------|---|
| "Requires improvement" or worse | 35 cases |
| Major issues | <ul style="list-style-type: none"> Improper waste-related (contracts, manifests, etc.) management methods: 20 cases Flaw in the procedure for management of environmental facility (including wastewater processing): 4 cases Flaw in Freon-related control procedures: 6 cases Other improper environmental law-related response/management: 5 cases |

► Environmental Achievements

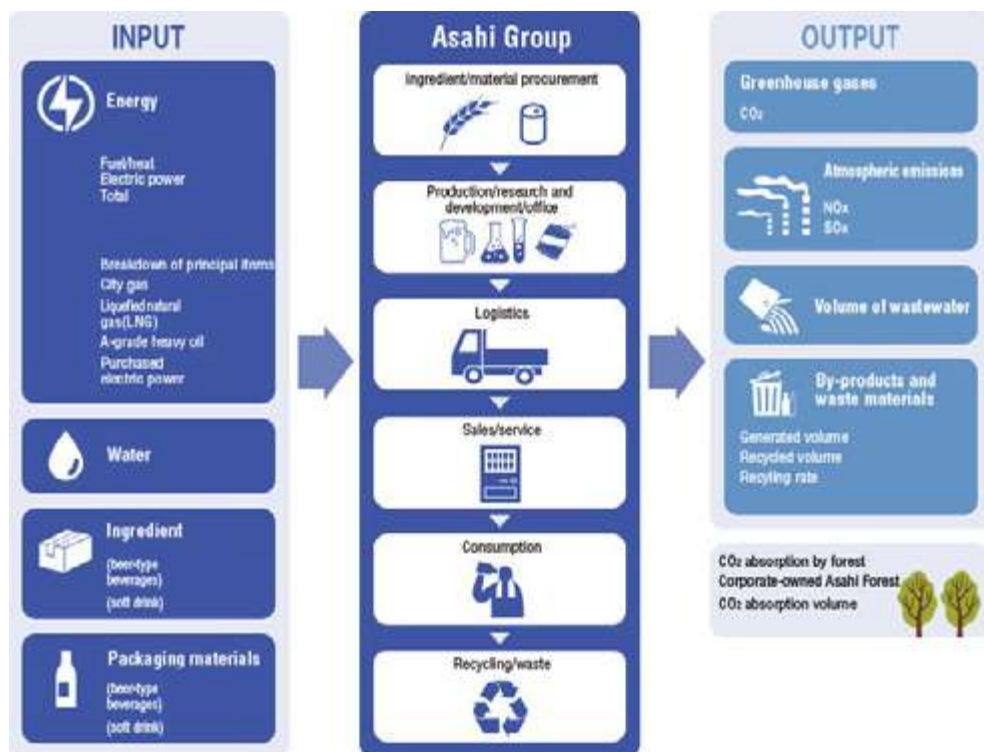


Material Balance

Total Environmental Impact Generated with Business Activities

The Asahi Group understands the environmental impact that is generated as a result of its business activities and takes initiatives to reduce the environmental impact.

Material Balance



| INPUT | | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|
| Category | Item | | | | | |
| Energy | Fuel/heat (GJ) | 6,252,000 | 6,289,000 | 5,857,000 | 5,714,000 | 5,343,000 |
| | Electric power (GJ) | 3,319,000 | 3,141,000 | 3,096,000 | 3,185,000 | 3,155,000 |
| | Total (GJ) | 9,571,000 | 9,430,000 | 8,953,000 | 8,899,000 | 8,498,000 |
| Breakdown of principal items | City gas (m ³) | 106,508,000 | 109,011,000 | 100,485,000 | 98,204,000 | 98,824,000 |
| | Liquefied natural gas (LNG/tons) | 9,570 | 9,497 | 9,361 | 9,088 | 8,940 |
| | A-grade heavy oil (kl) | 8,431 | 6,610 | 6,271 | 6,075 | 6,008 |
| | Purchased electric power (kWh) | 340,526,000 | 322,177,000 | 318,463,000 | 324,723,000 | 324,357,000 |
| Water | Water (m ³) | 22,777,000 | 22,280,000 | 20,584,000 | 20,227,000 | 20,521,000 |
| Ingredient | Beer-type beverages (tons) | 283,000 | 271,000 | 255,000 | 220,000 | 227,000 |
| | Soft drinks (tons) | 264,000 | 283,000 | 263,000 | 260,000 | 260,000 |
| Packaging materials | Beer-type beverages (tons) | 297,000 | 278,000 | 184,000 | 162,000 | 198,000 |
| | Soft drinks (tons) | 143,000 | 129,000 | 133,000 | 132,000 | 124,000 |

| OUTPUT | | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|--|------------|------------|------------|------------|------------|
| Category | Item | | | | | |
| Greenhouse gases | CO ₂ (tons) | 495,000 | 469,000 | 447,000 | 402,000 | 342,000 |
| Atmospheric emissions | NO _x (tons) | 157 | 215 | 179 | 177 | 177 |
| | SO _x (tons) | 14 | 18 | 13 | 8 | 8 |
| Volume of wastewater | Volume of wastewater (m ³) | 16,615,000 | 16,428,000 | 15,312,000 | 14,873,000 | 15,059,000 |
| Drainage water quality* | BOD (tons) | — | 354.7 | 294.6 | 354.3 | 369.7 |
| | COD (tons) | — | 125.3 | 92.3 | 132.2 | 138.5 |
| By-products and waste materials (Manufacturing sites in Japan + Head Office) | Generated volume (tons) | 287,000 | 255,000 | 250,000 | 225,000 | 229,000 |
| | Recycled volume (tons) | 287,000 | 255,000 | 250,000 | 225,000 | 229,000 |
| | Recycling rate (%) | 100 | 100 | 100 | 100 | 100 |

Notes: 1 Scope of aggregation: Companies in Japan
2 Figures as of December 31 each year

*The definition of drainage water quality has been revised and calculated from 2019.

► Environmental Achievements



Environmental Accounting

Environmental Preservation Cost

Unit: million yen

| Classification | Content of major initiatives | 2018 | | 2019 | | 2020 | | 2021 | | 2022 | |
|--------------------------------------|---|------------|-------|------------|-------|------------|-------|------------|-------|------------|-------|
| | | Investment | Cost | Investment | Cost | Investment | Cost | Investment | Cost | Investment | Cost |
| 1. Cost incurred by business areas*1 | | 2,030 | 6,759 | 2,703 | 6,267 | 1,403 | 6,258 | 917 | 6,323 | 940 | 6,418 |
| Break-down | (1) Pollution prevention cost | 577 | 2,796 | 1,441 | 2,550 | 879 | 2,665 | 328 | 2,570 | 212 | 2,299 |
| | (2) Global environment preservation cost | 1,007 | 1,600 | 720 | 1,566 | 306 | 1,506 | 406 | 1,597 | 504 | 1,564 |
| | (3) Resource recycling cost | 446 | 2,363 | 542 | 2,151 | 218 | 2,087 | 183 | 2,156 | 224 | 2,555 |
| 2. Upstream and downstream cost*2 | <ul style="list-style-type: none"> Promotion and support of recycling activity (e.g. commission fee for the reuse of packaging as products) Green purchases, purchasing of green power | — | 761 | — | 520 | — | 617 | — | 756 | — | 1,160 |
| 3. Managing activity cost*3 | <ul style="list-style-type: none"> Maintenance of ISO 14001/EA21 Implementation of environmental audit Implementation of environmental education | — | 361 | — | 484 | — | 437 | — | 505 | — | 407 |
| 4. Research and development cost*4 | <ul style="list-style-type: none"> Research and development in relation to the environment | 47 | 249 | 40 | 255 | 112 | 334 | 126 | 536 | 182 | 610 |
| 5. Social activity cost*5 | <ul style="list-style-type: none"> Environmental beautification activities, pollution charges Operational cost of Asahi Forest Donation to and advertisement of environmental protection organizations, etc. | — | 224 | — | 444 | — | 476 | 6 | 520 | — | 496 |
| 6. Environmental damage cost*6 | | — | — | — | — | — | — | — | — | — | — |
| Total value | | 2,077 | 8,353 | 2,743 | 7,970 | 1,515 | 8,122 | 1,049 | 8,640 | 1,122 | 9,091 |

Notes: 1 Scope of aggregation: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd.

2 Figures as of December 31 each year

*1 The environmental preservation cost to hold down the environmental burden that is generated within the area of businesses as a result of main business activities

*2 The environmental preservation cost to hold down the environmental burden that is generated upstream or downstream of the main business activities due to those activities

*3 The environmental preservation cost concerning management activities

*4 The environmental preservation cost within research and development activity

*5 The environmental preservation cost concerning social activities

*6 Cost in response to environmental damage

Economic Effect as a Result of Measures Taken for Environmental Preservation

Unit: million yen

| Content of effect | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|------|------|------|------|
| Total sales of valuable items due to recycling of waste | 279 | 265 | 225 | 217 | 235 |
| Amount of expenditure reduction due to energy saving policies | 142 | 273 | 119 | 280 | 162 |

Notes: 1 Scope of aggregation: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd.
2 Figures as of December 31 each year

Occurrence of Major Accidents and Violations

At the Asahi Group, in 2022 there were no major accidents or violations affecting the environment concerning water quality and hazardous chemical substances, etc. None of our operating companies in Japan were subject to environment-related fines or penalties in 2022.

► Environmental Achievements



Green Bonds

For over 100 years, the Asahi Group has been enjoying the gifts of nature such as water and agricultural products.

In order to pass on the gifts of nature to the future generations by actively promoting efforts to address a wide range of environmental issues, the Group established the Asahi Group Environmental Vision 2050 in February 2019 and updated it in February 2023 ("New Vision"). The New Vision states, "Planet Positive," as what the Group would like the world to be like, and aims to reduce the burden on the environment from its business to zero and to maximize value to the global environment through circularity.

In the New Vision, the Group sets four pillars of its environmental initiatives at 1. Climate Change, 2. Packaging, 3. Agricultural Raw Materials, and 4. Water Resources, and defines what the Group would like the world to be like in 2050, then promotes measures for the achievement of the New Vision.

The Group issued Green Bonds (Unsecured Corporate Bonds No. 14) within the Japanese domestic market in October 2020 and issued more Green Bonds (Unsecured Corporate Bonds No. 20) within the Japanese domestic market in March 2023. With the proceeds from the Green Bonds, the Group commits to further accelerate its efforts to work towards the realization of a sustainable society as well as the growth of its business operations.

Green Bonds (Unsecured Corporate Bonds No. 20)

The Asahi Group plans to use the proceeds from the Green Bonds for capital investments, promotion of

its use of renewable energy, and initiatives for CO₂ absorption in Asahi Breweries, Ltd. Tosu Brewery, which is scheduled to commence operations in 2026, as well as procurement of recycled PET and biomass plastic and purchase of renewable energy for the entire Group.

Summary of Green Bonds

| | |
|--------------------|---|
| Issuer | Asahi Group Holdings, Ltd. |
| Maturity | 5 years |
| Issue amount | 25.0 billion yen |
| Issue date | March 8, 2023 |
| Use of proceeds | <ul style="list-style-type: none"> • Capital investments, promotion of use of renewable energy, and initiatives for CO₂ absorption in Asahi Breweries, Ltd. Tosu Brewery • Procurement of recycled PET, procurement of biomass plastic • Purchase of renewable energy |
| Lead managers | Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., SMBC Nikko Securities Inc., and Mizuho Securities Co., Ltd. |
| Structuring agent* | Nomura Securities Co., Ltd. |

*This organization supports the issuance of Green Bonds by giving advice regarding the formulation of Green Bond frameworks and on obtaining second-party opinions.

Publicly Declared Investors in Asahi Group Green Bonds

- JA Aichi-Kita
- JA Aichi-Nishi
- Asset Management One Co., Ltd.
- The Awa Bank, Ltd.

- Ishikawa Prefectural Credit Federation of Agricultural Cooperatives
- The Ibaraki-ken Credit Cooperative
- The Gamagori Shinkin Bank
- KOITO MANUFACTURING CO., LTD.
- THE SAIKYO BANK, LTD.
- The Sawayaka Shinkin Bank
- Jissen Women's Educational Institute
- SUWA SHINKIN BANK
- THE SETO SHINKIN BANK
- Sony Assurance Inc.
- The Dai-ichi Frontier Life Insurance Co., Ltd.
- The Chikuho Bank, Ltd.
- Choshi Shoko Shinyokumiai
- The Toho Bank, Ltd.
- Nissay Asset Management Corporation
- THE HACHIJUNI BANK, LTD.
- The Higashi-Nippon Bank, Limited
- The Hekikai Shinkin Bank
- North Pacific Bank, Ltd.
- THE HOKURIKU BANK, LTD.
- Mitsui Sumitomo Insurance Company, Limited
- Mitsui Direct General Insurance Company, Limited
- Mitsubishi UFJ Trust and Banking Corporation
- The Musashino Bank, Ltd.
- Meiji Yasuda Asset Management Company Ltd.
- MORI NO MIYAKO SHINKIN BANK
- The Yamaguchi Bank, Ltd.

► Environmental Achievements



Second-Party Opinion of Green Bond Eligibility

The Asahi Group has obtained a second-party opinion from Japan Credit Rating Agency, Ltd. to ensure transparency and alignment with the 2021 Green Bond Principles and the Green Bond Guidelines 2022, and to attract more investors.

Related Information [Second-Party Opinion](#)

Framework

For the issuance of its Green Bonds, the Asahi Group has formulated a Green Bond framework which specifies Asahi's policy concerning the four core components (1. Use of proceeds, 2. Process of project evaluation and selection, 3. Management of proceeds, and 4. Reporting), which are defined in the 2021 Green Bond Principles of the International Capital Market Association (ICMA) and Green Bond Guidelines 2022 of Japan's Ministry of the Environment.

| | |
|-----------------|--|
| Use of proceeds | <ol style="list-style-type: none"> 1. Construction of Asahi Breweries, Ltd. Tosu Brewery (Initiatives toward achieving Asahi Carbon Zero): Capital investments, promotion of use of renewable energy, and initiatives for CO₂ absorption in Asahi Breweries, Ltd. Tosu Brewery 2. Procurement of recycled PET, procurement of biomass plastic (Initiatives toward using sustainable packaging): Procurement of raw materials that follow the guidelines or are certified 3. Purchase of renewable energy (Initiatives toward achieving Asahi Carbon Zero): Purchase of electricity from renewable energy sources at operating companies inside and outside Japan |
|-----------------|--|

| | |
|---|--|
| Process of project evaluation and selection | Projects that are eligible to receive the proceeds raised through these Green Bonds are evaluated and selected by Asahi Group Holdings' Corporate Strategy Board or at each Group company's management meetings in accordance with the Group's Sustainability Strategy, which was determined by the Global Sustainability Committee. |
| Management of proceeds | The proceeds from the Green Bonds will be managed by Finance at Asahi Group Holdings, Ltd. under a special Green Bond bank account. Until the Green Bonds proceeds are fully allocated, they will be held in cash or cash equivalents, and tracked and managed by Finance on a quarterly basis using an internal management system. |
| Reporting | Until the total amount of Green Bond proceeds is allocated to eligible projects, or as long as there are Green Bonds outstanding, Asahi Group Holdings will report the status of proceed allocation on its corporate website on a yearly basis. Additionally, as long as there are Green Bonds outstanding, the company will report the positive environmental impacts of eligible projects on its corporate website on a yearly basis in the same manner as it reports the status of proceeds allocation. |

Related Information [Green Bond Framework](#)

Green Bonds (Unsecured Corporate Bonds No. 14)

The Group plans to use the proceeds from the Green Bonds mainly for procurement of recycled PET and biomass plastic, purchase of renewable energy, and forest conservation activities at Asahi Forest, the Group-owned forest.

Summary of Green Bonds

| | |
|--------------------|--|
| Issuer | Asahi Group Holdings, Ltd. |
| Maturity | 5 years |
| Issue amount | 10.0 billion yen |
| Issue date | October 15, 2020 |
| Use of proceeds | <ul style="list-style-type: none"> ● Procurement of recycled PET ● Procurement of biomass plastic ● Purchase of renewable energy ● Forest conservation activities at Asahi Forest, the Group-owned forest etc. |
| Lead managers | Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., SMBC Nikko Securities Inc., and Mizuho Securities Co., Ltd. |
| Structuring agent* | Nomura Securities Co., Ltd. |

*This organization supports the issuance of Green Bonds by giving advice regarding the formulation of Green Bond frameworks and on obtaining second-party opinions.

Second-Party Opinion of Green Bond Eligibility

The Asahi Group has obtained a second-party opinion from Japan Credit Rating Agency, Ltd. to ensure transparency and alignment with the 2018 Green Bond Principles and the Green Bond Guidelines 2020, and to attract more investors.

Related Information [Second-Party Opinion](#)

► Environmental Achievements

Publicly Declared Investors in Asahi Group Green Bonds

- Asset Management One Co., Ltd.
- Credit Guarantee Corporation of Ishikawa
- ICHIMARU PHARCOS Co., Ltd.
- The 77 Bank, Ltd.
- SUMITOMO LIFE INSURANCE COMPANY
- DaitokyoShinkumi Credit Cooperative
- Tokio Marine & Nichido Fire Insurance Co., Ltd.
- TOKYO UNIVERSITY OF AGRICULTURE EDUCATIONAL CORPORATION
- Tokyo Bay Shinkin Bank
- JA Nishikasugai
- Nippon Life Insurance Company
- The Higashi-Nippon Bank, Limited
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Mitsubishi UFJ Kokusai Asset Management Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- Meiji Yasuda Asset Management Company Ltd.
- Meiji Yasuda Life Insurance Company
- The Yamanashi Chuo Bank, Ltd.
- WASHIN CHEMICAL INDUSTRY CO., LTD.

Framework

For the issuance of its Green Bonds, the Asahi Group has formulated a Green Bond framework which specifies Asahi's policy concerning the four core components (1. Use of proceeds, 2. Process of project evaluation and selection, 3. Management of proceeds, and 4. Reporting), which are defined in the 2018 Green Bond Principles of

the ICMA and the Green Bond Guidelines 2020 of Japan's Ministry of the Environment.

| | |
|---|--|
| Use of proceeds | <p>(1) Initiatives toward achieving Asahi Carbon Zero: Purchase of renewable energy, introduction of energy-saving equipment at plants, introduction of heat-pump vending machines</p> <p>(2) Initiatives to address the plastic issue: Procurement of recycled PET, procurement of biomass plastic</p> <p>(3) Initiatives toward promoting sustainable water resources: Forest conservation activities at Asahi Forest</p> |
| Process of project evaluation and selection | Projects that are eligible to receive the proceeds raised through these Green Bonds are evaluated and selected by Asahi Group Holdings' Corporate Strategy Board or at each Group company's management meetings in accordance with the Group's Sustainability Strategy, which was determined by the Global Sustainability Committee. |
| Management of proceeds | The proceeds raised by the Green Bonds will be managed by Finance of Asahi Group Holdings, Ltd. under a special Green Bond bank account. Finance will track and manage the proceeds on a quarterly basis using an internal management system. Until Green Bond proceeds are actually allocated to eligible projects, they will be held in cash or cash equivalents. |
| Reporting | Until the total amount of Green Bond proceeds is allocated to eligible projects, or as long as there are Green Bonds outstanding, Asahi Group Holdings will report the status of proceed allocation on its corporate website and in its integrated report on a yearly basis. Additionally, as long as there are Green Bonds outstanding, the company will report the positive environmental impacts of eligible projects on its corporate website and in its integrated report on a yearly basis in the same manner as it reports the status of proceeds allocation. |

Related Information  Green Bond Framework

Reporting

■ Report on Allocation

Approximately 10,000 million yen was allocated to expenditure on eligible projects from November 2020 through June 2022.

Breakdown

- Purchase of renewable energy: 1,529 million yen
- Introduction of heat-pump vending machines: 1,578 million yen
- Procurement of recycled PET, procurement of biomass plastic: 6,203 million yen
- Introduction of energy-saving equipment at plants: 572 million yen
- Maintenance of Asahi Forest: 117 million yen

■ Impact Report

1. Status of initiatives toward achieving Asahi Carbon Zero

| | |
|--|---------|
| Amount of renewable energy electricity purchased | 154 GWh |
|--|---------|

| | |
|---|-------------|
| Amount of CO ₂ emissions reduced | 13,641 tons |
|---|-------------|

2. Status of initiatives toward using sustainable packaging

| | |
|---|-------------|
| Amount of eco-friendly materials used, such as recycled PET and biomass plastic | 47,962 tons |
|---|-------------|

3. Status of initiatives toward promoting sustainable water resources

| | |
|--------------------------|---|
| Overview of Asahi Forest | Since October 2020, a total landmass of 2,467 ha has been managed under Asahi Forest, with a groundwater recharge of 11.01 million m ³ . |
|--------------------------|---|

Note: Certain items have been revised based on the most recently available environmental data to ensure appropriate reporting.

► Environmental Achievements

Third-Party Verification

The Asahi Group considers that centralizing environment-related information and data throughout the Asahi Group and disclosing information in a way that is very transparent and reliable and is assured by a third party are indispensable. The Asahi Group receives third-party verification of the amounts of greenhouse gas emissions (Scope 1, 2, and 3), energy consumption, water consumption, and wastewater discharge, which are especially important. It acquires assurance statements from Lloyd's Register Quality Assurance Limited (LRQA), the verifying organization.

Acquisition of Third-Party Verification

| Item | Applicable standards | Organization receiving verification | First year of verification |
|--|--------------------------|---|----------------------------|
| Greenhouse gas emissions (Scope 1 and 2) | ISAE 3000 ISO 14064-3 | Asahi Group companies in Japan | 2014 |
| | | Asahi Group companies in Oceania | 2015 |
| | | Asahi Group companies in Europe | 2018 |
| | | Asahi Group companies in Southeast Asia | 2019 |
| Greenhouse gas emissions (Scope 3) | ISAE 3000 ISO 14064-3 | Asahi Breweries, Ltd. and Asahi Soft Drinks Co., Ltd. | 2015 |
| | | Asahi Group companies in Europe and Oceania | 2020 |
| | | Asahi Group companies in Southeast Asia | 2021 |
| Energy consumption | ISAE 3000 | Asahi Group companies in Japan, Europe, and Oceania | 2018 |
| | | Asahi Group companies in Southeast Asia | 2019 |
| Water consumption and wastewater discharge | ISAE 3000 | Asahi Group companies in Japan, Europe, and Oceania | 2018 |
| | | Asahi Group companies in Southeast Asia | 2019 |

Click here [▶](#) for details of the organizations.

[📄 Assurance statement related to Scope 1 and 2 emissions inventory \(2014\)](#)
[📄 Assurance statement related to Scope 1 and 2 emissions inventory \(2015\)](#)
[📄 Assurance statement related to Scope 3 \(2015\)](#)
[📄 Assurance statement related to Scope 1 and 2 emissions inventory \(2016\)](#)
[📄 Assurance statement related to Scope 3 \(2016\)](#)
[📄 Assurance statement related to Scope 1 and 2 emissions inventory \(2017\)](#)
[📄 Assurance statement related to Scope 3 \(2017\)](#)
[📄 Assurance statement related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2018\)](#)
[📄 Assurance of data related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2018\)](#)
[📄 Assurance statement related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2019\)](#)
[📄 Assurance of data related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2019\)](#)
[📄 Assurance statement related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2020\)](#)
[📄 Assurance of data related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2020\)](#)
[📄 Assurance statement related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2021\)](#)
[📄 Assurance of data related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2021\)](#)
[📄 Assurance statement related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2022\)](#)
[📄 Assurance of data related to Scope 1, Scope 2, Scope 3, energy consumption, water consumption, and wastewater discharge \(2022\)](#)

[📄 Related Information](#) [📄 FY2022 Anti-global Warming Plan of Tokyo Metropolitan Government \(Japanese only\)](#)

Environmental Awards and Certifications

Over the years, the Asahi Group has received various environment-related awards and certifications.

Asahi Group Highly Regarded in a Survey Conducted by CDP

In 2022, international non-profit organization CDP included Asahi Group Holdings, Ltd. in its A List (the highest rating) in the results of its survey on climate change.



Gold Award at 4th ESG Finance Awards Japan

Organized by the Ministry of the Environment, ESG Finance Awards Japan (Japanese only) recognizes and commends investors and financial institutions that are aggressively committed to ESG financing and green



projects and that have had a great impact on the environment and society, as well as companies that incorporate environment-related important opportunities and risks into their business strategies to enhance their corporate value and successfully generate corporate value while reducing their impact on the environment.



► Environmental Achievements



Asahi Group won the Gold Award, which is also the Environment Minister's Award, in the Environmentally Sustainable Company division of the 4th ESG Finance Awards Japan. This was the Group's first Gold Award, following three consecutive years of Bronze Awards. The Group also met the necessary disclosure standards to receive recognition as an "environmentally sustainable company."

Asahi Europe and International Ltd. Wins the Changemaker Award

Asahi Europe and International Ltd. received the Changemaker Award as part of the RE100 Leadership Awards 2022. The company was recognized for setting ambitious goals with regard to renewable electricity and making significant progress toward achieving its net zero targets.



| Company | Organizing Body | Date | Details |
|-------------------------------------|--|----------------|---|
| Asahi Group Holdings, Ltd. | CDP | March 2023 | ☑ Certified as a "Supplier Engagement Leader" company, the highest rating in CDP's Supplier Engagement Evaluation for the third successive year (Japanese only) |
| Asahi Group Holdings, Ltd. | Ministry of the Environment | February 2023 | ☑ Won the Gold Award in the Environmentally Sustainable Company division of ESG Finance Awards Japan |
| Asahi Group Holdings, Ltd. | CDP | December 2022 | ☑ Included in the A list after a CDP survey for the results on climate change for fifth successive year |
| Asahi Group Holdings, Ltd. | Nikkei Inc. | November 2022 | Placed at No. 1 on the GX500, which ranks 500 major companies on their decarbonization initiatives |
| Asahi Europe and International Ltd. | Climate Group | September 2022 | ☑ Won a Changemaker Award at the RE100 Leadership Awards 2022 |
| Asahi Group Holdings, Ltd. | Ministry of the Environment | February 2022 | Won the bronze award in the Environmentally Sustainable Company division of ESG Finance Awards Japan |
| Asahi Group Holdings, Ltd. | CDP | December 2021 | ☑ Included in the A list after a CDP survey for the results on climate change for fourth successive year |
| Asahi Group Holdings, Ltd. | CDP | December 2021 | ☑ Included in the A list after a CDP survey for the results on water security |
| Asahi Biocycle Co., Ltd. | The Japan Food Journal Co., Ltd. | November 2020 | Won the 29th Food Safety and Environmental Contribution Award |
| Asahi Biocycle Co., Ltd. | National Institute for Environmental Studies Nikkan Kogyo Shimbun, Ltd. | April 2020 | ☑ Won the Environment Minister's Award, the highest rating, at the 47th Environmental Awards (Japanese only) |
| Asahi Group Holdings, Ltd. | Nikkei Inc. | December 2018 | ☑ Won the 2018 Nikkei Global Environmental Technology Award of Excellence for the development of power generation technologies using a solid oxide fuel cell (SOFC) and wastewater from breweries (Japanese only) |
| Asahi Group Holdings, Ltd. | Development Bank of Japan (DBJ) | January 2018 | Top rank in DBJ Environmental Ranking |

► Respond to Climate Change Key Initiatives



Management

Approach

Global warming has increased the frequency and intensity of extreme weather events all over the world, seriously damaging lives and properties. Phenomena include unprecedented changes to the climate, drought caused by heat waves, and flooding caused by typhoons and torrential rain. Climate change is an important environmental issue for the Asahi Group, which operates businesses using the gifts of nature. To fulfill our mission to “Deliver on our great taste promise and bring more fun to life,” which we declared in the Asahi Group Philosophy, we aim to pass on a sustainable global environment to future generations, nurturing the gifts of nature.

Based on the Paris Agreement and the United Nations Sustainable Development Goals (SDGs), the Asahi Group has formulated the Asahi Group Environmental Vision 2050.

In addition to the Asahi Carbon Zero decarbonization targets for Scope 1, 2, and 3 in 2050, we have set a goal of Beyond Carbon Neutral as a way to contribute to emissions reductions beyond the value chain and throughout society as a whole. To achieve this, we are actively pursuing a variety of initiatives.

Moving forward, climate change is expected to impact the stable procurement of agricultural raw materials such as barley and hops, with risks expected due to various factors such as regulations. Regarding this point, we have analyzed scenarios regarding the future impact of climate change on our company, the results of which suggest that the implementation of a carbon tax would increase production costs by an estimated 9 billion

yen in 2030 and 15.3 billion yen by 2050. However, through our Asahi Carbon Zero initiative, we anticipate a reductive effect of 6.2 billion yen by 2030 and 15.3 billion yen by 2050. Furthermore, by reducing CO₂ emissions throughout the Asahi Group’s value chain, we will contribute to the mitigation of climate change.

Additionally, while there is a possibility that our products will not be chosen by consumers and partners if our response to climate change is insufficient, we can expand sales by developing eco-friendly products that reduce CO₂ emissions. Furthermore, we can encourage a change in customer and consumer awareness of and actions toward climate change by reducing the CO₂ emissions of familiar everyday products, including beverages and food.

The Asahi Group will achieve decarbonization for all business-related activities (Scope 1, 2, and 3), while we accelerate efforts surrounding the development and deployment of carbon emissions reduction, absorption, and collection technologies. This will enable us to strive for what we would like the world to be like in 2050 as described in the Asahi Group Environmental Vision 2050, a world where carbon emissions are reduced in society as a whole, beyond the boundaries of business, and biodiversity is preserved.

Governance

Related Information > Environmental Management

Risk Management

The Asahi Group recognizes that a changing climate and abnormal weather caused by global warming pose risks which could make it difficult for the Group to continue its business operations, and also have various negative impacts on society.

The Asahi Group recognizes the risks of an interruption in the supply of raw materials from the Group’s supply chain negatively affecting a variety of stakeholders and the management of the Group.

Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group is proactively advancing a number of initiatives in order to achieve the Asahi Carbon Zero medium- to long-term targets for Scope 1, 2, and 3 in 2050, and further strive for Beyond Carbon Neutral. In 2019, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, through scenario analysis, we are preparing business strategies that consider climate change.

► Respond to Climate Change ► **Management**



Initiatives toward Asahi Carbon Zero

The Asahi Group has set medium- and long-term goals with regard to climate change in the form of the Asahi Carbon Zero initiative.

Through this initiative, the Asahi Group aims to achieve zero CO₂ emissions in Scope 1, 2, and 3 by 2050, and reduce emissions by 70% for Scope 1 and 2 and by 30% for Scope 3 by 2030. In addition, we have set an interim target of 40% reduction by 2025 in Scope 1 and 2. With Beyond Carbon Neutral, we seek to reduce emissions beyond the value chain and throughout society as a whole.

In order to achieve these targets, the Asahi Group is implementing various measures, including finalizing the early-stage introduction of renewable energy, promoting decarbonization in fuel used at manufacturing processes, and the development and deployment of technologies related to carbon emissions reduction, absorption, and collection. We are also collaborating with our suppliers and partners as we seek to balance CO₂ reductions in the value chain and the preservation of the ecosystem.

Our 2030 near-term target of Asahi Carbon Zero has been approved by Science Based Targets initiative (SBTi) in line with a 1.5°C (Scope 1 and 2) and a 2°C trajectory (Scope 3). In addition, we validated that our Scope 3 target is in alignment with a Well Below 2°C pathway. SBTi is a global initiative which validates that company-set goals for CO₂ reductions are in line with scientific evidence.

In October 2020, we became the first corporate group in the beverage industry in Japan to join RE100. With the goal of promoting our initiatives more aggressively, we responded to the rapid expansion of the use of electricity generated by renewable energy at each of our RHQs by

moving forward the RE100 target by 10 years in 2022. We are currently aiming to use renewable energy for all electricity by 2040.

Initiatives toward the TCFD Recommendations

The Asahi Group understands that evaluating the impact of climate change-related risks and opportunities on its businesses and drafting appropriate response measures are important matters in terms of realizing a sustainable society and ensuring business continuity. To that end, the Group endorses the TCFD recommendations.

Please click here [▶](#) for more details on the Asahi Group's efforts to comply with the TCFD recommendations.

Metrics and Targets

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---|--|
| <ul style="list-style-type: none"> Reduce our CO₂ emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral by 2050^{*1} Reduce CO₂ emissions by 70% in Scope 1 and 2 by 2030 (compared with 2019)^{*2} Reduce CO₂ emissions by 40% in Scope 1 and 2 by 2025 (compared with 2019)^{*2} Reduce CO₂ emissions by 30% in Scope 3 by 2030 (compared with 2019)^{*1} | 7.2/7.3/13.1/13.2 |

^{*1} Applicable companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.
^{*2} Applicable companies: Asahi Group Japan, Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|--|
| AGJ | <ul style="list-style-type: none"> Use renewable energy for 100% of electricity purchased at all manufacturing sites by 2025 | 7.2/7.3/13.1/13.2 |
| AGJ | <ul style="list-style-type: none"> Reduce CO₂ emissions every year by 1% or more over the previous year | |
| AEI | <ul style="list-style-type: none"> Carbon neutral in AEI breweries by 2030 | |
| AEI | <ul style="list-style-type: none"> 100% renewable electricity in our breweries by 2025 | |
| AHA | <ul style="list-style-type: none"> Reduce Scope 1 and 2 CO₂ emissions in our operations by 50% by 2025 (compared with 2019) | |
| AHA | <ul style="list-style-type: none"> 100% of our purchased electricity to be sourced from or matched with renewable sources by 2025 | |
| AHSEA | <ul style="list-style-type: none"> Reduce CO₂ emissions in Scope 1 and 2 by 50% by 2030 (compared with 2019) | |

Asahi Carbon Zero CO₂ Emissions

Unit: kilotons-CO₂

| | 2019 (Base Year) | 2020 | 2021 | 2022 |
|------------|------------------|-------|-------|-------|
| Scope 1, 2 | 975 | 911 | 800 | 686 |
| Scope 3* | 8,773 | 8,337 | 8,178 | 8,328 |

^{**}Asahi Carbon Zero CO₂ Emissions" covers CO₂ emissions from all Asahi Carbon Zero participating companies and is calculated according to the GHG Protocol. For the purpose of Asahi Carbon Zero progress tracking, 2019 and 2020 CO₂ emissions include those from companies that were not yet part of the Asahi Group (e.g., CUB Pty Ltd) in 2019 and 2020. As a result, the figures above for 2019 and 2020 appear to be larger than those on page 91. Since the calculation methodology of Asahi Group Foods' CO₂ emissions in Scope 3 is under development, it is not included in Asahi Carbon Zero CO₂ Emissions.

► Respond to Climate Change ► Management



Related SDGs



- Related Information
- Performance (Respond to Climate Change)
 - Activities (Respond to Climate Change)
 - Realize Sustainable Supply Chains
 - Initiatives toward the TCFD Recommendations
 - CDP Climate Change Questionnaire 2023 (Japanese only)

► Respond to Climate Change



Performance

CO₂ Emissions

The Asahi Group's Scope 1, 2, and 3 CO₂ emissions for 2022 were calculated by the Group's operating companies in Japan, Europe, Oceania, and Southeast Asia. Scope 1 and 2 CO₂ emissions were reduced by 30% in comparison with 2019. This progress exceeds the SBT target pace (50% reduction by 2030 relative to the 2019 level). Moreover, in addition to Asahi Breweries, Ltd. and Asahi Soft Drinks Co., Ltd., the calculation of Scope 3 CO₂ emissions has also applied to Asahi Europe and International Ltd. and Asahi Holdings (Australia) Pty Ltd. since 2020 and Asahi Holdings Southeast Asia Sdn. Bhd. since 2021. Scope 3 emissions have decreased by 5% since 2019, representing progress toward the SBT target.

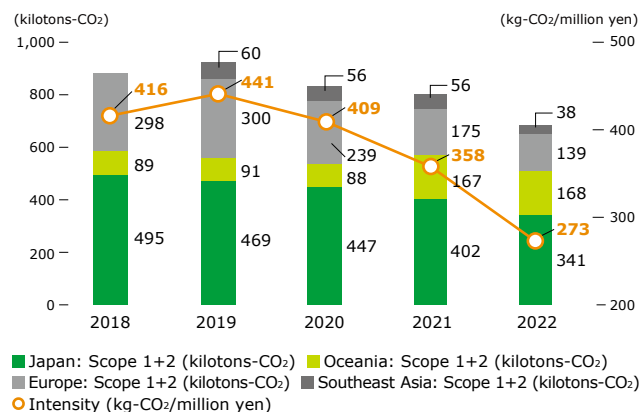
Note: This figure does not reflect CO₂ emissions avoided by Tradable Green Certificates (TGCs).

CO₂ Emissions and Intensity

| Item | 2018 | 2019 | 2020 | 2021 ^{*1} | 2022 |
|---|-------|-------|-------|--------------------|-------|
| Scope 1 | 463 | 492 | 463 | 494 | 492 |
| Scope 2 | 419 | 429 | 367 | 306 | 194 |
| Scope 1+2 | 881 | 921 | 830 | 800 | 686 |
| Scope 3 ^{*2,3} | 2,899 | 4,455 | 6,779 | 8,178 | 8,328 |
| Scope 1+2 intensity (kg-CO ₂ /million yen) ^{*4} | 416 | 441 | 409 | 358 | 273 |
| (kg-CO ₂ /kl) ^{*5} | 75 | 78 | 72 | 65 | 55 |
| Scope 3 intensity (kg-CO ₂ €/million yen) | 1,367 | 2,133 | 3,343 | 3,657 | 3,317 |
| Sales (billion yen) | 2,120 | 2,089 | 2,028 | 2,236 | 2,511 |

*1 Scope of aggregation: In 2021, the scope was expanded to include CUB Pty Ltd, a subsidiary of Asahi Holdings (Australia) Pty Ltd.
 *2 Scope of aggregation: Only Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. up to 2019, then Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd. as of 2020. In 2021, the scope was expanded to include Asahi Holdings Southeast Asia Sdn. Bhd. (Click here for more information.)
 *3 We updated historical Scope 3 emission figures from 2019, using the latest emission factors. In Initiatives toward the TCFD Recommendations, however, we analyzed scenarios based on the Scope 3 emission figures prior to this update.
 *4 CO₂ emission per unit revenue
 *5 CO₂ emission per kiloliter produced

Changes in CO₂ Emissions and Intensity



Note: Scope of aggregation: Click here for more information.

CO₂ Emissions by Country

| Country | Scope | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|---|------|------|------|------|------|
| Japan | Scope 1 | 329 | 325 | 304 | 299 | 300 |
| | Scope 2 | 165 | 144 | 144 | 103 | 41 |
| | Scope 1+2 | 495 | 469 | 447 | 402 | 341 |
| | CO ₂ emissions reduction contributed by green energy | 11 | 10 | 14 | 15 | 14 |
| | Total of Scope 1+2 | 484 | 459 | 433 | 387 | 327 |
| Australia | Scope 1 | 18 | 19 | 18 | 49 | 51 |
| | Scope 2 | 66 | 65 | 64 | 113 | 112 |
| | Scope 1+2 | 83 | 85 | 83 | 162 | 163 |
| New Zealand | Scope 1 | 5 | 5 | 5 | 4 | 4 |
| | Scope 2 | 1 | 1 | 1 | 1 | 1 |
| | Scope 1+2 | 6 | 6 | 5 | 5 | 5 |
| UK | Scope 1 | 1 | 1 | 2 | 3 | 2 |
| | Scope 2 | 1 | 1 | 1 | 1 | 1 |
| | Scope 1+2 | 2 | 1 | 3 | 4 | 3 |
| Italy | Scope 1 | 20 | 27 | 15 | 18 | 20 |
| | Scope 2 | 15 | 10 | 8 | 2 | 3 |
| | Scope 1+2 | 36 | 37 | 23 | 20 | 23 |
| The Netherlands | Scope 1 | 8 | 8 | 7 | 7 | 7 |
| | Scope 2 | 11 | 8 | 0 | 0 | 0 |
| | Scope 1+2 | 18 | 16 | 7 | 7 | 7 |
| Czech Republic | Scope 1 | 20 | 20 | 21 | 21 | 21 |
| | Scope 2 | 72 | 61 | 59 | 46 | 20 |
| | Scope 1+2 | 92 | 82 | 79 | 67 | 41 |
| Slovakia | Scope 1 | 5 | 6 | 6 | 6 | 6 |
| | Scope 2 | 1 | 1 | 2 | 1 | 1 |
| | Scope 1+2 | 7 | 7 | 8 | 7 | 8 |

► Respond to Climate Change ► **Performance**



Unit: kilotons-CO₂

| Country | Scope | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------|-----------|------|------|------|------|------|
| Romania | Scope 1 | 19 | 19 | 18 | 19 | 17 |
| | Scope 2 | 18 | 15 | 14 | 7 | 0 |
| | Scope 1+2 | 36 | 34 | 33 | 26 | 17 |
| Hungary | Scope 1 | 7 | 6 | 6 | 7 | 6 |
| | Scope 2 | 6 | 6 | 5 | 4 | 3 |
| | Scope 1+2 | 13 | 12 | 11 | 11 | 9 |
| Poland | Scope 1 | 30 | 30 | 30 | 30 | 29 |
| | Scope 2 | 64 | 81 | 45 | 4 | 2 |
| | Scope 1+2 | 94 | 111 | 75 | 34 | 31 |
| Malaysia | Scope 1 | — | 20 | 28 | 28 | 27 |
| | Scope 2 | — | 29 | 19 | 21 | 7 |
| | Scope 1+2 | — | 48 | 47 | 49 | 34 |
| Indonesia | Scope 1 | — | 4 | 4 | 4 | 2 |
| | Scope 2 | — | 4 | 3 | 3 | 2 |
| | Scope 1+2 | — | 8 | 7 | 7 | 4 |
| Total | Scope 1 | 463 | 492 | 463 | 494 | 492 |
| | Scope 2 | 419 | 429 | 367 | 306 | 194 |
| | Scope 1+2 | 881 | 921 | 830 | 800 | 686 |

Note: Scope of aggregation: Click here for more information.

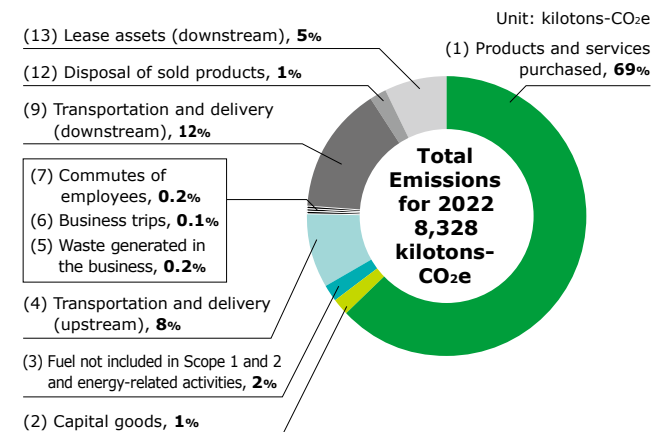
Breakdown of Scope 3

Unit: kilotons-CO₂e

| Category | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|----------------|----------------|----------------|----------------|----------------|
| (1) Products and services purchased | 1,862 | 3,378 | 4,686 | 5,618 | 5,787 |
| (2) Capital goods | 98 | 104 | 78 | 108 | 80 |
| (3) Fuel not included in Scope 1 and 2 and energy-related activities | 60 | 80 | 141 | 168 | 169 |
| (4) Transportation and delivery (upstream) | 386 | 392 | 488 | 609 | 681 |
| (5) Waste generated in the business | 4 | 3 | 6 | 9 | 16 |
| (6) Business trips | 1 | 1 | 5 | 4 | 7 |
| (7) Commutes of employees | 3 | 4 | 19 | 9 | 13 |
| (8) Lease assets (upstream) | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (9) Transportation and delivery (downstream) | 138 | 153 | 360 | 1,041 | 1,017 |
| (10) Processing of sold products | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (11) Use of sold products | 296 | 289 | 904 | Not applicable | Not applicable |
| (12) Disposal of sold products | 52 | 50 | 93 | 122 | 122 |
| (13) Lease assets (downstream) | Not applicable | Not applicable | Not applicable | 491 | 435 |
| (14) Franchising | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| (15) Investments | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |
| Total GHG emissions | 2,899 | 4,455 | 6,779 | 8,178 | 8,328 |

Notes: 1 Scope of aggregation: Click here for more information.
 2 We updated historical Scope 3 emission figures from 2019, using the latest emission factors. In Initiatives toward the TCFD Recommendations, however, we analyzed scenarios based on the Scope 3 emission figures prior to this update.
 3 From 2021 onwards, Category 11 is excluded from the calculation. Emissions previously listed in Category 11 are now reported separately in Category 9 and 13.

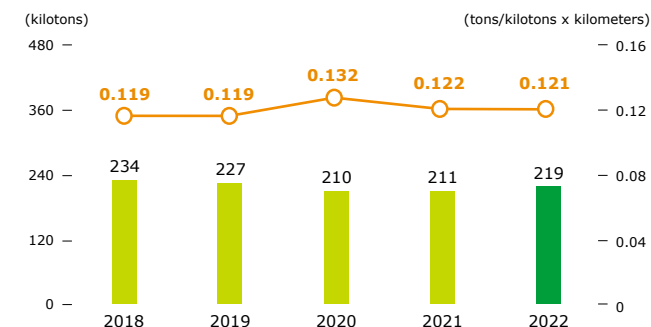
2022 Scope 3 Greenhouse Gas Emissions



Note: Scope of aggregation: Click here for more information.

Changes in the Volume of CO₂ Emissions During Transportation

The table below shows changes in the volume of CO₂ emissions from transportation assigned by the Asahi Group as a cargo owner.

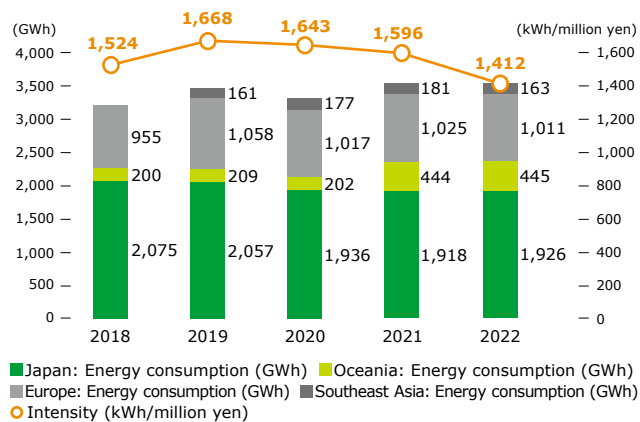


■ CO₂ emissions volume (kilotons)
 ○ CO₂ emissions intensity (per distributed quantity) (tons/kilotons x kilometers)
 Note: Scope of aggregation: Click here for more information.

► Respond to Climate Change ► **Performance**



Changes in Energy Consumption and Intensity



Note: Scope of aggregation: [Click here](#) for more information.

Energy Consumption and Intensity

Unit: GWh

| Country | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|-------|-------|-------|-------|-------|
| Japan | 2,075 | 2,057 | 1,936 | 1,918 | 1,926 |
| Australia | 165 | 174 | 170 | 415 | 416 |
| New Zealand | 35 | 35 | 31 | 29 | 29 |
| UK | 6 | 6 | 14 | 17 | 16 |
| Italy | 88 | 181 | 144 | 146 | 155 |
| The Netherlands | 31 | 67 | 64 | 63 | 62 |
| Czech Republic | 310 | 307 | 305 | 302 | 308 |
| Slovakia | 37 | 36 | 39 | 38 | 39 |
| Romania | 154 | 153 | 153 | 154 | 139 |
| Hungary | 57 | 51 | 46 | 50 | 48 |
| Poland | 272 | 257 | 252 | 256 | 243 |
| Malaysia | — | 126 | 153 | 159 | 151 |
| Indonesia | — | 23 | 21 | 21 | 12 |
| Energy intensity (kWh/million yen) | 1,524 | 1,668 | 1,643 | 1,596 | 1,412 |
| Total | 3,231 | 3,484 | 3,332 | 3,568 | 3,545 |

Note: Scope of aggregation: [Click here](#) for more information.

Renewable Electricity Consumption

| | 2020 | 2021 | 2022 |
|---|------|------|------|
| Total Renewable Electricity Consumption (GWh) | 113 | 305 | 464 |
| Percentage of Renewable Electricity Consumption | 12% | 30% | 46% |

Note: Scope of aggregation: [Click here](#) for more information.

Third-Party Verification

[Related Information](#) ► [Third-Party Verification](#)

► Respond to Climate Change



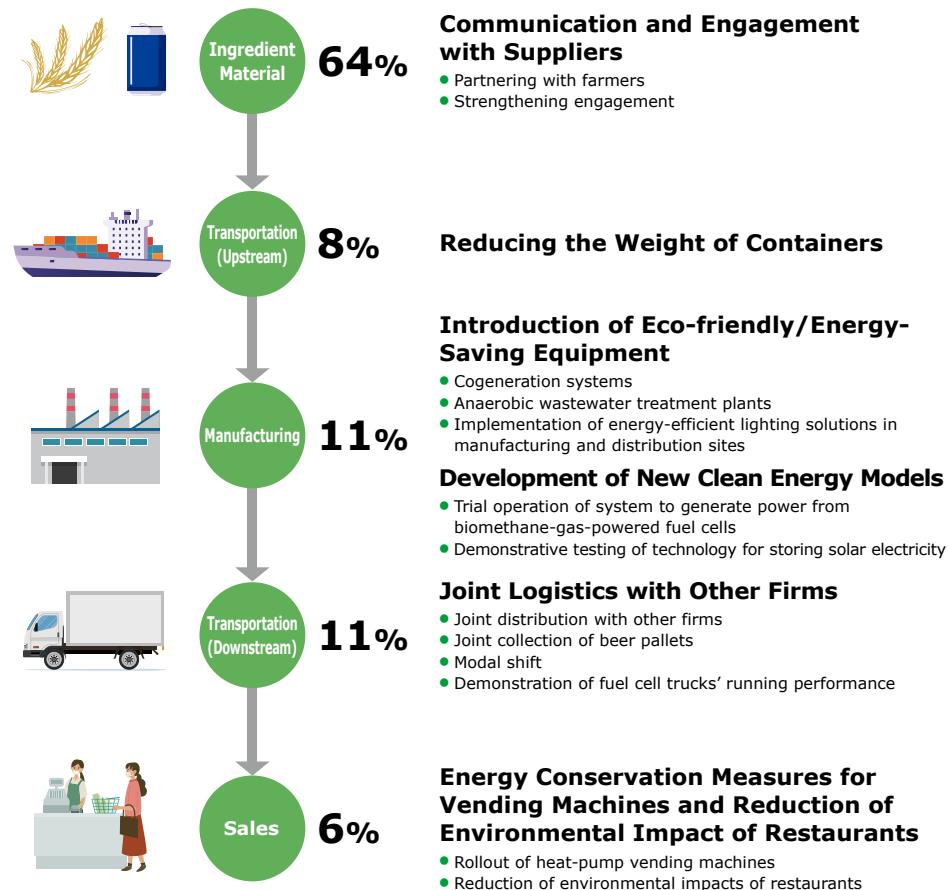
Activities

Overview of Initiatives Aimed at Achieving Carbon Zero

In order to achieve carbon zero in its value chain, the Asahi Group is taking various measures to reduce CO₂ emissions in Scope 1, 2, and 3. The CO₂ emission ratios at each stage of the value chain based on the GHG Protocol are as follows.

Ratios of CO₂ Emissions across Our Value Chain

Asahi Initiatives



Ingredient/Material

Communication and Engagement with Suppliers

The Asahi Group conducts a Supplier CSR Questionnaire to facilitate communication with suppliers and to solidify its relationships with them based on trust and long-term cooperation.

We are engaging suppliers and partners to reduce carbon emissions of our products across the whole supply chain by 30% compared with 2019.

Specifically, Asahi Holdings (Australia) Pty Ltd. invited approximately 100 of its suppliers to a sustainability forum where the company explained Group sustainability policies and discussed cooperative ways to accelerate initiatives. Asahi Group Japan, Ltd. and Asahi Holdings Southeast Asia Sdn. Bhd. conducted a survey to better understand the status of CO₂ emissions reduction goal setting for major suppliers. Building on the survey findings, discussions are underway to strengthen policies for future procurement initiatives.

Within Scope 3, we prioritize actions towards high CO₂ emission categories including the ingredients and raw materials, while performing more detailed analysis to better inform our decisions (see figure on the next page). At the same time, we are accelerating initiatives to reduce CO₂ emissions by improving recyclability rates and lightening aluminum cans and glass bottles, and promoting eco-friendly materials for PET bottles.

In order to understand the scale of its impact, the Asahi Group performs carbon measurements

Designing Environmentally Friendly Containers

- Recycled aluminum cans
- Recycled PET bottles (bottle to bottle)
- Unlabeled products

Continued Pursuit of "Beyond Carbon Neutral"

- Demonstrative testing of experimental CO₂ separation and recovery equipment

Utilization of Green Power

- Utilization in brewing/beer product manufacturing
- Utilizing Tradable Green Certificates

Using Renewable Energy

Energy Conservation Measures for Vending Machines and Reduction of Environmental Impact of Restaurants

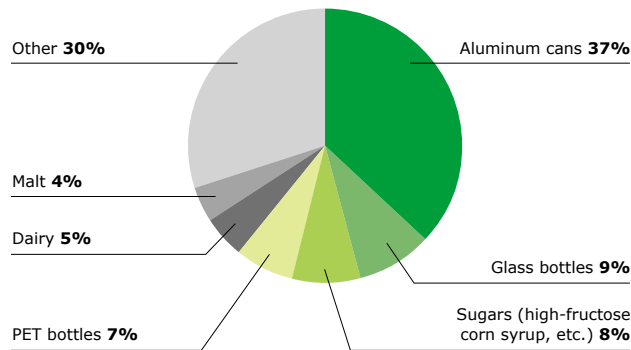
- Rollout of heat-pump vending machines
- Reduction of environmental impacts of restaurants

► Respond to Climate Change ► **Activities**



and lifecycle assessments. Based on these, we will initiate partnerships and actively cooperate with our suppliers and customers to accelerate the reduction of CO₂ emissions, especially in the areas of packaging, transport, and cooling of beer on sale.

Asahi Group Overall Scope 3 Category 1 Breakdown



- Related Information
- Supplier CSR Questionnaire
 - Partnering with Italian Farmers

Designing Environmentally Friendly Containers

The Asahi Group seeks active involvement in the creation of a circular economy by promoting environmentally friendly container design, while also moving forward with efforts to reduce CO₂ emissions.

- Related Information
- Activities (Sustainable Packaging)

Transportation (Upstream)

Reducing the Weight of Containers

The Asahi Group strives to reduce CO₂ emissions from transportation (upstream) by making its containers lighter in weight to reduce the purchase of raw materials.

- Related Information
- Activities (Sustainable Packaging)

Manufacturing

Introduction of Eco-friendly/Energy-Saving Equipment

Factories of the Asahi Group engage in many different activities to reduce CO₂ emissions in the manufacturing stage, and are continuing their efforts to introduce eco-friendly and energy-saving equipment.

Installation of Cogeneration Systems and Anaerobic Wastewater Treatment Plants

The Asahi Group is adding cogeneration systems and anaerobic wastewater treatment plants: the former efficiently utilize energy by using gas emitted from combustion to make vapor while generating power from the combustion of fuels, whereas the latter are capable of efficiently utilizing methane gas in wastewater. The methane gas generated from an anaerobic wastewater treatment plant is a carbon-neutral fuel (biogas) and contributes to the Asahi Group's reduction of CO₂ emissions by being used to power boilers.

Implementation of Energy-Efficient Lighting Solutions in Manufacturing and Distribution Sites

Asahi Holdings (Australia) Pty Ltd.'s manufacturing and distribution sites have progressively implemented energy-efficient lighting solutions, each running with a slightly different approach to suit site requirements. In 2018 our Prospect Distribution Centre landlord updated the site's lighting to energy-efficient LEDs and installed a 100-kW rooftop solar PV system. More recently upgrades have been completed at our Laverton, Tullamarine, and Albury sites, replacing more than 1,200 high-bay lights and reducing carbon emissions by 2,600 tons. Additionally, Asahi Europe and International Ltd. has built a fully automated warehouse at the Pilsen Brewery in the Czech Republic. This warehouse is expected to save space, reduce the cost of transporting goods, and reduce CO₂ emissions. We plan to achieve energy neutrality at this warehouse in the future by installing solar panels on the roof.

Utilizing Solar Collectors

Birra Peroni S.r.l., a subsidiary of Asahi Europe and International Ltd., installed a series of solar collectors on top of its Bari Brewery to reduce reliance on fossil fuels during the beer production process. Through the use of these collectors, the Bari Brewery is now able to meet its thermal energy needs with solar power.

► Respond to Climate Change ► **Activities**



Establishing Asahi Breweries, Ltd. Tosu Brewery

Asahi Breweries, Ltd. plans to begin operating the Tosu Brewery in 2026. As a model plant for the Asahi Group's next-generation production systems, the Tosu Brewery will reduce energy use by 50% compared to previous levels through various means such as innovation in manufacturing methods, while also promoting the use of renewable energy. In addition, we aim to achieve carbon-negative status (where the amount of CO₂ absorbed exceeds the amount emitted) at this plant in 2026 through the introduction of CO₂ collection technologies.

This plant will produce a wide variety of the Asahi Group's products and containers, including beer, non-alcohol beer-flavored beverages, RTDs,* and Asahi Soft Drinks Co., Ltd. products as we work to improve logistical efficiency and plant operation rates. The establishment of this plant makes it possible for a large number of the products shipped to the Kyushu area to be produced at and shipped from the Tosu Brewery. As a result, CO₂ emissions related to distribution are expected to be reduced by 30% compared to previous levels thanks to improvements in supply and demand rates and shortened delivery distances.

*RTD: Ready To Drink, a beverage that can be consumed immediately after opening



Development of New Clean Energy Models

Trial Operation of System to Generate Power from Biomethane-Gas-powered Fuel Cells

The Asahi Group developed a high-purity system that can be introduced at low cost by constructing a refining process for removing impurities from biogases obtained from anaerobic wastewater treatment plants at breweries.

Power generation tests involved testing of an experimental SOFC generating unit, jointly developed by the Asahi Group and Kyushu University, and succeeded in generating power successively for 10,000 hours in a laboratory in 2019. On the basis of these results, the system was chosen by the Ministry of the Environment as a subsidy recipient, and biomethane refining facilities and fuel cells were constructed at Asahi Breweries, Ltd. Ibaraki Brewery. Test operation of the facilities started in 2020 and resulted in successful

power generation from biomethane-gas-powered fuel cells. We have continuously operated these facilities since fall 2021 for a total of approximately 4,000 hours. Currently we are implementing process improvements to enhance the feasibility of practical applications.



System to Generate Power from Biomethane-Gas-powered Fuel Cells

Demonstration Testing of Technology for Storing Solar Electricity

The Asahi Group has verified its power storage technology for generating power from fuel cells with the use of hydrogen generated from the electrolysis of water through solar electricity. The demonstration test began at Asahi Breweries, Ltd. Ibaraki Brewery in 2019 with the aim of introducing power storage technology to make solar electricity available for use at factories during nighttime. We

► Respond to Climate Change ► **Activities**



are currently evaluating optimal combinations of solar power and power storage technologies, and use the electricity generated here in the adjacent "Super Dry Museum."



H₂One™, a Self-contained System for Supplying Hydrogen Energy



Rooftop of the Visitors' Building of Asahi Breweries, Ltd. Ibaraki Brewery

Continued Pursuit of "Beyond Carbon Neutral" Demonstrative Testing of Experimental CO₂ Separation and Recovery Equipment

Experimental CO₂ separation and recovery equipment is able to separate CO₂ from exhaust gases and recover it at a high rate of efficiency using an adsorbent fluid, which has the property of absorbing CO₂ at low

temperatures and releasing it at high temperatures.

Since January 2020, the Asahi Group has been using experimental CO₂ separation and recovery equipment supplied by Toshiba Energy Systems & Solutions Corporation to conduct over 15,000 hours of continuous operation to investigate performance and cost-effectiveness of recovering CO₂ from boiler exhaust gases and assess the possibility of deploying it at its plants.

In the future, the Asahi Group plans to make use of the recovered CO₂ in alcohol beverages and soft drinks, and to develop other applications for its use.



Experimental CO₂ Separation and Recovery Equipment

Methanation Demonstrative Test

Following the success of over 15,000 hours of continuous operation of the experimental CO₂ separation and recovery equipment installed at the Asahi Group Research & Development Center, the Asahi Group installed methanation equipment at an adjacent site and commenced a demonstrative test in fall 2021.

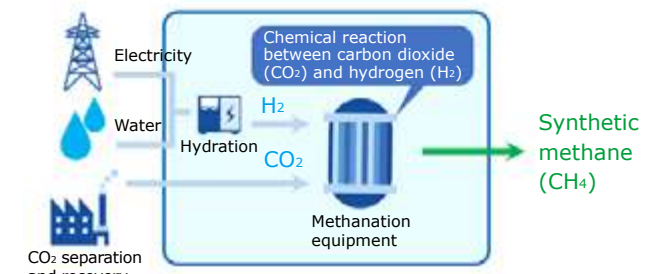
Methanation technology can be used to synthesize methane, the main component of natural gas, from

hydrogen and CO₂. Since CO₂ is used as a raw material during methane synthesis, methanation is positioned as one of the most promising technologies for "carbon recycling" (reuse of CO₂) and has attracted increasing attention in recent years due to its potential to contribute to the realization of a decarbonized society.

The Asahi Group will consider developing carbon recycling within Asahi Group factories in the future. Measures such as using synthetic methane obtained from methanation as fuel for boilers, fuel cells, etc., will contribute to the achievement of this goal.



Methanation Equipment



Synthesis Flow of Methanation

▶ Respond to Climate Change ▶ **Activities**



Participation in the Japan Hydrogen Association

In 2020, Asahi Group Holdings, Ltd. joined the Japan Hydrogen Association, which was established as a cross-industry and open organization. The aim of the organization is for the early creation of a hydrogen society through the realization of social implementation projects based on a bird's-eye view of the entire supply chain. The Asahi Group intends to actively promote the use of hydrogen through the association in cooperation with its member organizations and companies.

Joining Initiatives Aiming for Decarbonization

The Asahi Group is a member of the Japan Climate Initiative (JCI) and the Japan Climate Leaders' Partnership (JCLP) with the aim of realizing a decarbonized society. JCI is a network to strengthen communication and exchange of information among a number of Japanese companies, municipalities, research institutions, and civil society organizations that support the declaration of "Joining the front line of global trend for decarbonization from Japan." JCLP is a Japanese corporate group that approaches the transition to a decarbonized society from a business perspective, and is engaged in activities that go beyond the boundaries of individual companies.

We aim to be among the global leaders achieving the 1.5°C target by taking up the innovative approaches realized through joining these initiatives. We will apply them to our own operations where applicable. We are increasing energy efficiency and accelerating the use

of renewable energy in our own activities, and deepen collaboration with non-state actors in and outside Japan to strengthen our efforts to contribute to the realization of net zero emissions in 2050. Also, as a JCI member company, we endorsed a message in April 2023 calling on the Japanese government to strengthen climate change countermeasures despite the energy crisis and accelerate the implementation of renewable energy.

Utilization of Green Power Utilization in Brewing/Beer Product Manufacturing

In 2009, Asahi Breweries, Ltd. entered into a contract with Japan Natural Energy Company Limited to buy 40,000,000 kWh per year of green power generated by biomass and wind energy sources—the largest contract of its kind in Japan's food industry at the time. Currently, green power, which is energy that is considerate of the environment, is used to produce *Asahi Super Dry* beer 350-milliliter cans, 500-milliliter cans, 350-milliliter cans of non-alcohol, beer-flavored *Asahi Dry Zero*, and beer products in all gift sets across all of our breweries.

Green power is generated from biomass and wind power, renewable energies that have a low burden on the global environment.

Products manufactured using green power, including beer cans, product packaging, and outer boxes for gift sets, bear the "Green Energy" label. This initiative has contributed to the cumulative total reduction in CO₂ emissions of approximately 138,000 tons.*

*The CO₂ emissions coefficient used is the latest value and is issued annually

by the Federation of Electric Power Companies of Japan. From 2016 onwards, the coefficient used is that provided by the Electric Power Council for a Low Carbon Society (ELCS).

Utilizing Tradable Green Certificates

The Tradable Green Certificate (TGC) system is being used to ensure that green power is used to fill the total electrical power needs of the Asahi Group Head Office building and also the adjacent restaurant buildings, Annex and Flamme d'Or. The TGC system works by issuing certificates to companies to purchase the "environmental value" of electrical power generated from renewable energy sources. Companies and organizations holding these certificates are recognized as contributing to the spread of renewable energy use, reflecting environmental improvements commensurate with the amount of power denoted on the certificate.



Using Renewable Energy

Asahi Group companies are also proactive about introducing renewable energy in pursuit of zero CO₂ emissions.

Asahi Europe and International, Ltd. plans to become carbon neutral within its breweries by 2030 and engage suppliers and partners to reduce carbon emissions of

► Respond to Climate Change ► **Activities**



its products across the whole supply chain by 30% in the same period. Its ultimate goal is to become carbon neutral across the supply chain by 2050. To achieve this goal, Asahi Europe and International Ltd. focused on green sources of energy. By 2025, all electrical energy consumed in its breweries will come from renewable sources.

Asahi Holdings (Australia) Pty Ltd. aims to source or match 100% of its purchased electricity from renewable sources by 2025 and has signed a power purchase agreement (PPA) to purchase renewable electricity. *Victoria Bitter*, the company's mainstay brand of beer, is brewed with 100% offset solar electricity.

Asahi Holdings Southeast Asia Sdn. Bhd. (AHSEA) with one of its plants Etika Beverage Sdn Bhd (EBSB); started its renewable electricity journey with first commissioning its solar panel in Jan 2021 that contributed to the plants 7% of renewable electricity. Further solar panels are to be added into the plants phase 2 by June this year. The EBSB plant went 100% into renewable electricity came as the plant started to purchase supplied certified renewable electricity from the local electricity board from Jan 2022 onwards.

AHSEA is also working with Etika Dairies Sdn bhd (EDSB) in Malaysia and PT. Etika Dairies Indonesia (PTEDI) to further install solar plans to reduce total carbon emission in SEA region by this year.



Lech, a Polish brand of beer, is brewed by wind power only.



Renewable energy introduced via PPA (Australia)
Photo credit: BayWa r.e. renewable energy



Victoria Bitter, an Australian brand of beer, is brewed by solar electricity only.

Sustainable Heat from Twence (Local Supplier) and Biomethane Gas Sales

As part of its efforts to become carbon neutral by 2025, Koninklijke Grolsch N.V. (part of Asahi Europe and International Ltd.) entered into a contract with Twence Holding, a company which provides steam, heat, and electricity generated from biomass. Under this agreement, Koninklijke Grolsch N.V. has received sustainable thermal energy, in the form of hot water, since November 2022. This results in a 5,500-ton CO₂ emission reduction per year (72%). With over two-thirds of its heating requirements being met by Twence's green heat, Grolsch

is no longer able to directly use all of the biogas from its wastewater treatment facilities for its own heating needs. As a result, Koninklijke Grolsch N.V. decided to convert this surplus biogas into biomethane (a green gas) using the newly installed biogas refinement equipment located within the brewery. The converted biomethane gas is then, via the local natural gas grid, supplied to numerous households. Using this technology, provided by Host, over 1,000,000 Nm³ of biomethane gas per year is injected into the natural gas grid. This is enough to meet the gas needs of approximately 700 households.

Transportation (Downstream)

Joint Logistics with Other Firms

The Asahi Group is fully committed to engaging in a variety of different activities with the aim of reducing damage to the environment arising from the transportation of goods. For example, this involves cooperation with the shippers specified by the Japanese Act on the Rationalization etc. of Energy Use including Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Asahi Logistics Co., Ltd., which is a logistics company of the Asahi Group.

Joint Distribution with Other Firms

In a bid to reduce the environmental impact of distribution operations and address the problem of driver shortages on long-haul truck routes, Asahi Breweries, Ltd. has entered into a joint distribution arrangement

► Respond to Climate Change ► **Activities**



with other beer suppliers within a limited region.

Since September 2017, Asahi Breweries, Ltd. has joined with Kirin Brewery Company, Limited, Sapporo Breweries Limited, and Suntory Spirits Ltd. (“the four companies”) for the purpose of product deliveries in the Kushiro and Nemuro districts in the eastern part of Hokkaido Prefecture. Whenever a truck is not fully loaded, products from the production and/or distribution facilities of the four companies are taken to a warehouse at JR Sapporo Kamotsu Terminal station and then loaded for delivery to the respective destinations via a combination of rail and road freight.

Modal Shift

In April 2018, the four companies jointly started activities toward realizing a modal shift in their in-company transportation between Kansai/Chugoku and Kyushu. The four companies use dedicated trains departing from Kansai/Chugoku for Kyushu, which stop at the JR cargo terminals nearest the companies’ logistics hubs before being loaded with products (mainly alcohol and soft drinks) that have been sent to the JR Osaka and JR Okayama cargo terminals. Products that arrive in Kyushu are then sent to the logistics hubs from the JR cargo terminal nearest to the relevant company. Transportation from Kyushu to Kansai/Chugoku involves products that have been sent to the JR Fukuoka cargo terminal from the manufacturing and logistics hubs of the companies in Kyushu.

Joint Collection of Beer Pallets

The four companies jointly collect beer pallets in Japan. The Asahi Group commenced joint beer pallet collection with the other three companies in six prefectures in Tohoku (Aomori, Akita, Iwate, Yamagata, Miyagi, and Fukushima) in November 2018. From July 2019 onwards, we also commenced joint beer pallet collection in the Greater Tokyo, Tokai, and Kyushu areas, expanding to additional areas as of November 2019 to achieve nationwide coverage.

The Asahi Group estimates that the initiative will reduce CO₂ emissions from the four companies by a combined total of about 4,778 tons per year (about 47% less than the current level) by improving the load-carrying efficiency of vehicles used for collection, shortening the distance they travel for collection, and lowering the number of trucks used in connection with collection operations. The Asahi Group also thinks the initiative will lower the operational burden for customers by reducing the number of companies accepting returned beer pallets from the previous four to one.

Demonstration of Fuel Cell Trucks’ Running Performance

The Asahi Group tests and demonstrates the running performance of fuel cell-powered large trucks (“FC large trucks”) in cooperation with Seino Transportation Co., Ltd. (“Seino Transportation”), NEXT Logistics Japan (“NLJ”), Yamato Transport Co., Ltd. (“Yamato Transport”), Toyota Motor Corporation (“Toyota”), and Hino Motors, Ltd. (“Hino”) with the aim of verifying

the feasibility of utilizing hydrogen fuels to reduce CO₂ emissions in logistics operations. The FC large trucks were developed jointly by Toyota and Hino. Five companies and corporate groups, including the Asahi Group, NLJ, Seino Transportation, Yamato Transport, and Toyota, will commence a trial run of the trucks in 2023, using them in their logistics operations.

The large trucks for use in trunk-line transportation must satisfy requirements in terms of driving range, load capacity, and quickness of fuel supply. In our view, the trucks can potentially be effectively motorized by a fuel cell system powered by hydrogen with high energy density. The FC large trucks under development are designed to drive nearly 600 kilometers in pursuit of high-level compatibility between environmental performance and practicality as a commercial vehicle.



An FC large truck will look like this.

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Sales

Energy Conservation Measures for Vending Machines and Reduction of Environmental Impact of Restaurants Rollout of Heat-pump Vending Machines

In support of Japan Softdrink Vending Machine Council's goal to achieve a 60% reduction in total electricity consumption of soft drink vending machines compared to 2005 by 2050, Asahi Soft Drinks Co., Ltd. is promoting the switch to super-efficient heat-pump vending machines. In these machines, heat generated when cooling the beverages stored and heat obtained from the outside air can be switched at the optimal timing and used efficiently. This makes it possible to efficiently control the refrigerant cooling and heating the beverages, thereby contributing to a significant reduction in electricity consumption. In addition, the LED model adopted for these machines can reduce electricity consumption for lighting by about 70% compared to conventional vending machines. Over 94% of the vending machines we have installed are the heat-pump type as of the end of December 2022, with approximately 242,000 units installed.

Related Information > [Reduction of Environmental Impact of Restaurants](#)



► Respond to Climate Change



Initiatives toward the TCFD Recommendations

After conducting a scenario analysis in the Beer Category in 2019, the Asahi Group expanded the scope of this analysis to all Alcohol Beverages categories and the Non-Alcohol Beverages Category in 2020. In 2021, we expanded the scope of our scenario analysis initiative to all our major product categories, including the Food Category.

In 2022, we conducted an analysis of major risks under a 1.5°C scenario, excluding impacts on raw materials.

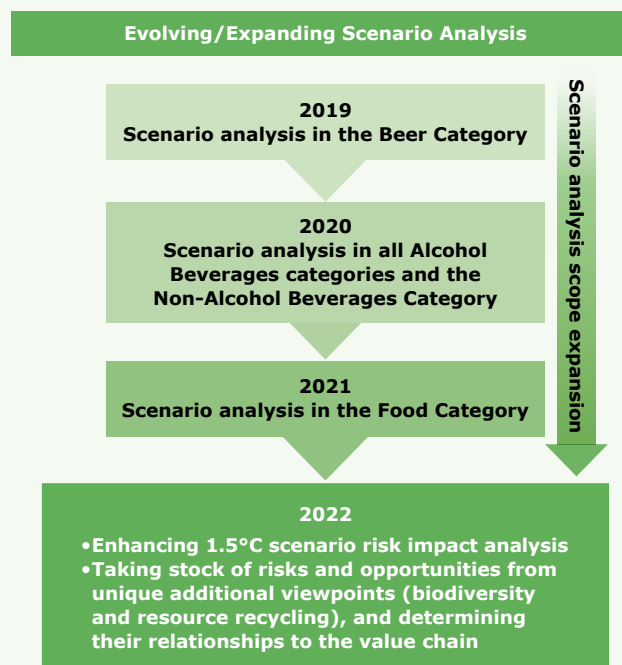
We believe that it is not possible to independently address the environmental issues of biodiversity and resource recycling, both of which are closely related to climate change. Accordingly, we used the connection between climate change and biodiversity, as well as that between climate change and resource recycling, as another set of viewpoints from which to take stock of our initiatives addressing risks and opportunities at sites outside Japan while analyzing changes in the external environment, such as market scale, affecting our initiatives in Japan.

By clarifying risks and opportunities around climate change in connection with biodiversity and resource recycling and taking measures accordingly, we seek to improve our business sustainability, promote dialogue with investors, and continue to enhance the sustainability of society and the value of our business.

Related Information [► Respond to TNFD Recommendations](#)

Related Information [► Sustainable Packaging](#)

Related Information [► Recycling of By-products \(Utilization of Fermentation Technologies\)](#)



The Asahi Group's Initiatives toward Climate Change

We thoroughly recognize that climate change represents an important management issue which directly impacts our business. To that end, we have established a governance structure that centers on the supervision of the Board of Directors and the participation of the Global Sustainability Committee. Based on the commitment of our management, we are executing investment in climate change countermeasures and are promoting relevant

efforts on a Group-wide basis.

In terms of specific strategies, we have been evaluating the business risks and opportunities presented by climate change over the medium to long term and developing strategies to address climate change-related issues after confirming the impact such issues have on our business. Additionally, we believe it is important to formulate and promote climate change countermeasures. We will therefore establish metrics and targets with a view to realizing a carbon-free society in an effort to reinforce our overall initiatives toward climate change going forward.

With regard to climate change-related business risks, in particular, we have adopted such risks as main risks for the Group within our overall risk management framework. Under our enterprise risk management (ERM) system, we have set a PDCA cycle in motion with the Sustainability Director as the risk owner.

This section explains the four key themes we have identified based on TCFD recommendations: "governance," "risk management," "strategies," and "metrics and targets."

Governance

Related Information [► Governance \(Respond to Climate Change\)](#)

Risk Management

Related Information [► Risk Management \(Respond to Climate Change\)](#)

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Strategies

Every year since 2019, we have been conducting a scenario analysis to reconfirm the Group’s resilience to climate change and examining response measures to the risks and opportunities that have been clarified.

In 2022, we conducted an analysis of major climate-related risks, excluding impacts on raw materials, under a 1.5°C scenario. We also reassessed risks by considering them in terms of the connection between climate change and biodiversity, as well as the connection between climate change and resource recycling. Additionally, we took stock of initiatives at sites outside Japan regarding the opportunities brought about by climate change, while also analyzing changes in the external environment, such as market scale, affecting our initiatives in Japan. We will take measures to address each of the major risks and opportunities these efforts clarified, which will in turn lead to risk reduction and the realization of opportunities.

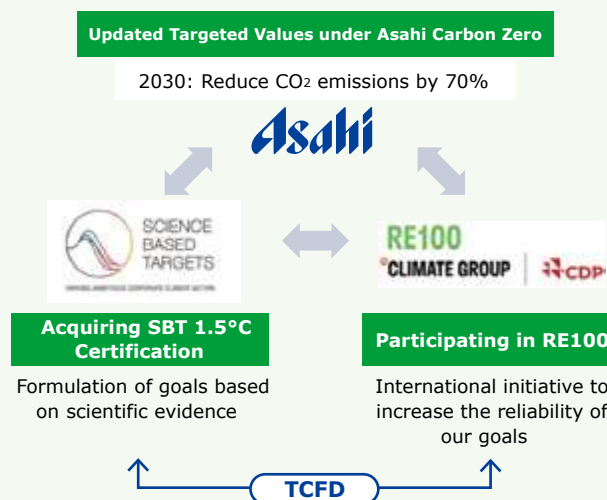
In particular, we will invest over 50 billion yen by 2030 as a measure to reduce CO₂ emissions based on Asahi Carbon Zero in order to reduce impacts, such as the impact of a carbon tax on production costs.

Metrics and Targets

We have established Asahi Carbon Zero as a medium- to long-term target for reducing CO₂ emissions. Under Asahi Carbon Zero, we aim to achieve net zero CO₂ emissions in Scope 1, 2, and 3 by 2050. As an interim target for 2030, compared with 2019, we aim to reduce Scope 1 and 2 emissions by 70% and Scope 3 emissions by 30%.

In addition, our 2030 near-term target of Asahi Carbon Zero has been approved by Science Based Targets initiative (SBTi) in line with a 1.5°C (Scope 1 and 2) and a 2°C trajectory (Scope 3). In October 2020, we joined the RE100 renewable energy initiative. By joining this initiative, we aim to realize a shift to 100% renewable energy by 2040.

Related Information > Metrics and Targets (Respond to Climate Change)



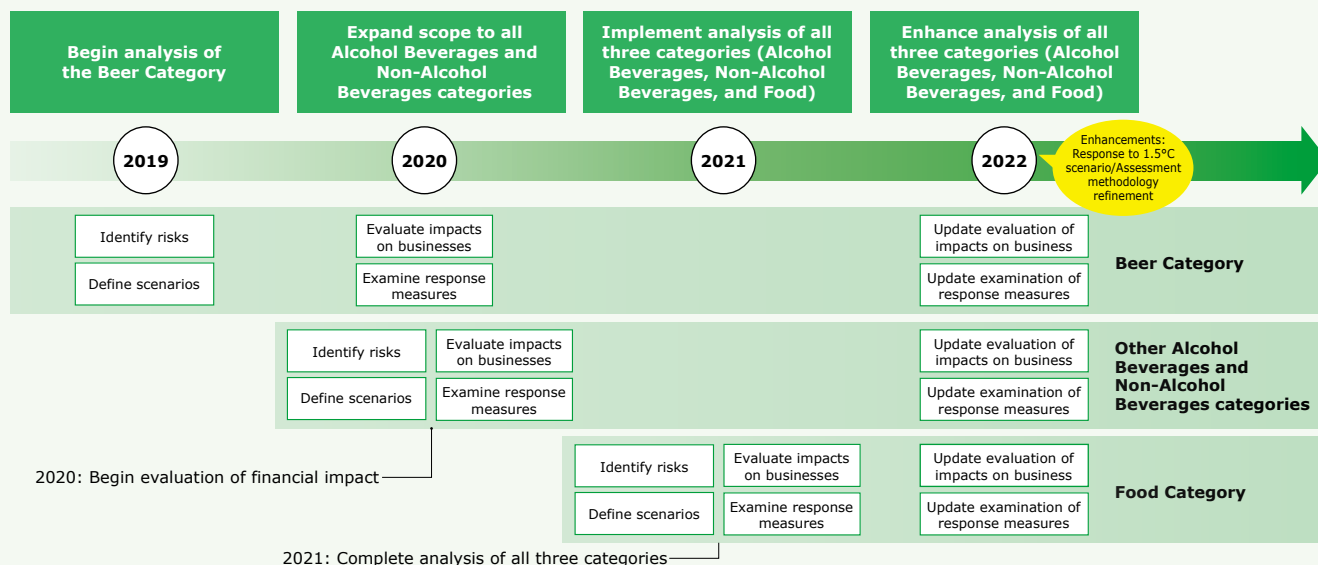
► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



History of Scenario Analysis

The Asahi Group primarily operates in the Alcohol Beverages, Non-Alcohol Beverages, and Food categories. We began scenario analysis with the Beer Category, the most impactful, and gradually expanded the scope until we completed analysis of all three categories in 2021.

In 2022, the fourth year of these efforts, we took the analysis results from all three categories and conducted a 1.5°C scenario analysis of major climate-related risks, excluding impacts on raw materials. We also reviewed our assessment logic and further enhanced our analyses.



► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Scenario Analysis Process and 2022 Analysis Details

As we proceeded with this scenario analysis, we reassessed our risks and opportunities while also considering issues closely related to climate change such as resource recycling and biodiversity.

Along with the risk items analyzed in 2021 and earlier, we also analyzed the impact of the introduction of excises in relation to resource recycling and undertook a quantitative analysis of Scope 3 categories 4 and 9 with respect to the impact of the introduction of carbon taxes. Furthermore, we reclassified water-related risks into two categories, those related to water as a raw material and those related to natural disasters, and conducted analyses accordingly.

| Scenario analysis process | | 2022 details | |
|---------------------------|---|--|--|
| Step 1 | Examining scenarios | <ul style="list-style-type: none"> Reevaluate climate scenarios Add unique perspective | <ul style="list-style-type: none"> Adopt 1.5°C scenario Organize risks and opportunities from perspective of climate change + resource recycling and climate change + biodiversity |
| Step 2 | Evaluating the significance of each risk | <ul style="list-style-type: none"> Based on resource recycling and biodiversity viewpoints, reorganize risks and opportunities that are important to the Asahi Group's overall business | <ul style="list-style-type: none"> Review impact scope for carbon tax implementation (include Scope 3 categories 4 and 9) Include impacts related to packaging taxation (UK excise) Redefine risks surrounding water into two categories: those related to water as raw material and those related to natural disasters |
| Step 3 | Evaluating business impacts | <ul style="list-style-type: none"> Quantitatively assess the impact of climate-related risks on the Asahi Group's business | <ul style="list-style-type: none"> Conduct quantitative assessment of business impact of transition risks (carbon tax implementation, taxation on packaging) and physical risks (water as raw material, natural disasters) under a 1.5°C scenario |
| Step 4 | Examining response measures | <ul style="list-style-type: none"> Examine measures regarding risks and opportunities | <ul style="list-style-type: none"> Take stock of main initiatives both in and outside Japan and organize according to business impact and social impact For opportunities, begin examining business impacts of main initiatives in Japan |

Climate Scenario Settings

Up until 2020, our scenario analysis referred to the RCP2.6 (under 2°C) and RCP8.5 (4°C) scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) and the scenario created by the International Energy Agency (IEA).

However, based on a shared global consensus on the movement to achieve carbon neutrality by 2050, in 2022 we conducted an analysis of major risks under a newly developed 1.5°C scenario. Details regarding the climate scenarios adopted for this 2022 scenario analysis are below.

| 1.5°C scenario | 4°C scenario |
|---|---|
| <ul style="list-style-type: none"> Limit average temperature increase by the end of the 21st century to 1.5°C or less compared to the Industrial Revolution era. In order to achieve sustainable development, stricter measures (carbon taxes, environmental regulations, etc.) are introduced, while society-wide efforts to actively address climate change encourage technological innovations and changes in consumer (end user) behavior. "Carbon neutrality by 2050" and "Limit temperature increase to 1.5°C by 2100" are virtually synonymous. References IEA NZE, IPCC 1.5, IPCC AR6 SSP1-1.9 climate scenarios. | <ul style="list-style-type: none"> Average temperature increases 4°C by the end of the 21st century. Society becomes one in which rising temperatures and other climate changes have a high likelihood of impacting business. References IPCC AR6 SSP3-7.0/SSP5-8.5 climate scenarios. |

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations

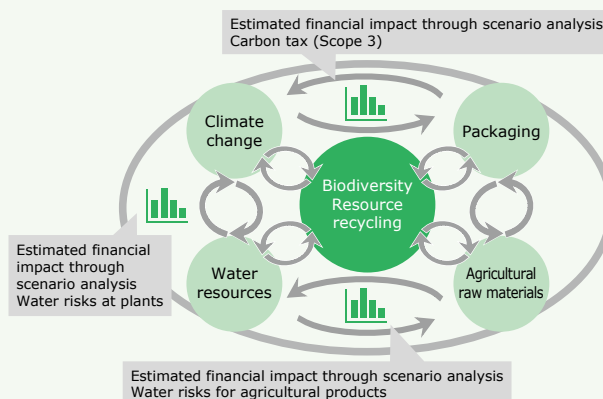


Confirming Climate Change Response Stance within Environmental Strategy

In order to reconfirm the Asahi Group's climate change response stance set out in the Asahi Group Environmental Vision 2050, in 2022, we conducted scenario analysis from the added perspectives of biodiversity and resource recycling in connection with climate change in addition to our analyses based on two climate scenarios.

Specifically, we added biodiversity and resource recycling, which are important social economic factors for the Asahi Group, to the core of our analyses under scenarios of 1.5°C and 4°C global climate change. We then extrapolated external environmental changes (legal regulations, markets, technological innovations, actors, end users, natural environment) from a medium- to long-term perspective for each scenario, analyzed the potential impacts on our company's business and strategies, and considered their relationships to climate change risks.

The results of these analyses confirmed the suitability of both the Asahi Group Environmental Vision 2050 policies and the Asahi Group's current environmental strategy initiatives, and allowed us to identify issues to be addressed in the future.



► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



2022 Scenario Analysis

Since 2019, we have conducted scenario analyses of climate-related risks and opportunities, annually reviewed our analysis parameters, and made progress quantifying impacts and examining countermeasures.

In our 2022 analysis, we added the new perspectives of biodiversity and resource recycling in connection to climate change, and reconsidered the risks and opportunities at each stage of the value chain.

| Risks | | | | | | | | | | | | |
|------------|--------------------------------|---------------------|-----------------------------|---------------|-------|----------|---|---------------------------------|--------------------|--|---|--|
| Risk type | Scope of impact on value chain | | | | | | Relationship to biodiversity/resource recycling | Time frame | Details | Risks | Strategies | |
| | R&D | Ingredient/Material | Transportation/Distribution | Manufacturing | Sales | Consumer | | | | | | |
| Transition | Policy and legal | | ○ | ○ | ○ | | | Resource recycling | Short to long | Existing energy cost increases due to tighter environmental regulations · Fossil fuel-derived energy cost increases due to introduction of carbon taxes | Initiatives toward Asahi Carbon Zero · (Material) Use of eco-friendly materials, reducing weight of containers · (Transportation) Cooperation with other firms · (Manufacturing) Introduction of eco-friendly/energy-saving equipment · Utilization of green power · Demonstrative testing of experimental CO ₂ separation and recovery equipment | |
| | | | ○ | | | | | Resource recycling | Medium to long | Increasing costs of responding to environmental regulations Taxation on fossil fuel materials due to tighter environmental regulations · Materials cost increases due to introduction of plastic excises | 3R+Innovation · Increased use of recycled PET bottles and eco-friendly materials · Development of new containers · Reduction of container weight | |
| | | | ○ | | | | | Biodiversity Resource recycling | Medium to long | Tighter regulations on agricultural raw materials · Procurement cost increases for agricultural materials due to tighter regulations on agrochemicals, fertilizer, and water use | Support for sustainable agriculture and agricultural raw materials · Community and environmentally sustainable agricultural raw materials strategy · Agricultural materials derived from brewing yeast cell walls | |
| | Technology | | ○ | ○ | ○ | ○ | ○ | | | Short to long | Tighter disclosure requirements · Response cost increases due to tighter accountability regulations (carbon footprint disclosure, etc.) | Strengthening appropriate disclosures under ISSB and other international standards |
| | | | ○ | | | | | | Resource recycling | Medium to long | Delays in new development · Delays in deploying new technology needed to transition from plastic materials to recycled materials and biomass materials for beverage containers and food packaging | Developing and designing environmentally friendly containers · Recycled aluminum cans · Recycled PET bottles (bottle to bottle) · Unlabeled products |
| | | | ○ | | ○ | | | | | Short to long | Delays in deploying low-carbon and other technology Delays in deploying energy-saving and low-carbon technology · Delays in changing from existing equipment to high-efficiency/low-carbon energy equipment | Development of clean energy models · Trial operation of system to generate power from biomethane-gas-powered fuel cells · Demonstrative testing of technology for storing solar electricity Introduction of eco-friendly/energy-saving equipment · Cogeneration systems · Anaerobic wastewater treatment plants · Reinforcement of energy efficiency in manufacturing and distribution sites |

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



| Risks | | | | | | | | | | | | |
|------------|--------------------------------|---------------------|-----------------------------|---------------|-------|----------|---|---------------------------------|----------------|---|---|---|
| Risk type | Scope of impact on value chain | | | | | | Relationship to biodiversity/resource recycling | Time frame | Details | Risks | Strategies | |
| | R&D | Ingredient/Material | Transportation/Distribution | Manufacturing | Sales | Consumer | | | | | | |
| Transition | Market | | | | | | ○ | Biodiversity Resource recycling | Short to long | Changes in customer preferences | Reduced demand for specific products · Consumer behavior changes due to shifts in consumer attitudes (increasing attention to decarbonization and biodiversity, rising temperatures, and other examples of climate change) | 3R+Innovation · Increased use of recycled PET bottles and eco-friendly materials · Development of new containers · Reduction of container weight |
| | | | ○ | | | | | Resource recycling | Short to long | | Cost increases for specified materials · Procurement cost increases for recycled materials due to increasing demand and the plastic problem | |
| | Reputation | ○ | ○ | ○ | ○ | ○ | ○ | Biodiversity Resource recycling | Short to long | Lower evaluations by consumers and investors | Subordination of initiatives · Response cost increases due to fossil fuel usage and damage to forests that leads to increased CO ₂ emissions in the value chain | Communication and engagement with suppliers · Partnering with farmers · Strengthening engagement |
| Physical | Chronic | | ○ | | | | | Biodiversity | Medium to long | Increasing costs of permanent climate change | Reduced agricultural raw materials yield · Price increases due to reduced yield of agricultural raw materials affected by climate change | Initiatives toward sustainable agricultural raw materials · FOR HOPS · FOR BARLEY · Barley Program |
| | | | | ○ | ○ | ○ | | | Medium to long | | Facilities cost increases · Increased investment in hardening production facilities and environmentally friendly facilities for transport, sales, etc. | Introduction of environmentally friendly vending machines and store refrigerators · Expansion of energy-saving/carbon-neutral vending machines · Introduction of energy-efficient fridges |
| | | | | | ○ | | | | Short to long | Impact of changes to precipitation patterns · Operational stoppages due to drought and water price increases | Reduction in water use Assessment and elimination of water risks · Strengthening responses through detailed risk surveys at each manufacturing site | |
| | Acute | | ○ | | | | | | Biodiversity | Short to long | Impact of natural disasters due to extreme weather | Changing crop yields · Changes in agricultural yield due to cyclones, floods, and droughts |
| | | | ○ | | | | | | Short to long | Disruption of transportation networks · Damage to and closure of roads and ports due to cyclones and floods | | Shortening distribution networks by manufacturing site dispersal Change in terms of distribution · Switching distribution centers at times of disaster due to time permits |
| | | | | | ○ | | | | Short to long | Damage to sites · Damage and operational closures at sites due to cyclones and floods | Hardening manufacturing sites against natural disasters | |

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



| Opportunities | | | | | | | | | | | |
|-----------------------|--------------------------------|---------------------|-----------------------------|---------------|-------|----------|---|----------------|--|---|--|
| Opportunity type | Scope of impact on value chain | | | | | | Relationship to biodiversity/resource recycling | Time frame | Details | Strategies | Impacts |
| | R&D | Ingredient/Material | Transportation/Distribution | Manufacturing | Sales | Consumer | | | | | |
| Resource efficiency | | | ○ | | | | | Short to long | Distribution process efficiency | <ul style="list-style-type: none"> Cost/CO₂ reduction from more efficient distribution Modal shift, joint distribution Solar power generation, completely automated warehouses using the latest technology | <ul style="list-style-type: none"> CO₂ emissions reductions and other ways of reducing environmental impacts Easing driver shortages, resolving personnel shortages through automation |
| | | | | | ○ | | | Short to long | Sales process efficiency | <ul style="list-style-type: none"> Reduction of environmental impact of restaurants Helping restaurants save energy and use water more efficiently | <ul style="list-style-type: none"> Helping restaurants save energy, improving water efficiency, and reducing costs |
| Energy resources | | | | ○ | | ○ | Resource recycling | Short to long | Low-carbon energy provision | <ul style="list-style-type: none"> Deploying low-carbon equipment/greening regions Using water heated by timber waste, reusing water in regional heaters, making gas usage greener and providing it to regions | <ul style="list-style-type: none"> Achieving carbon neutrality in breweries Reducing waste products through resource recycling Reducing amount of natural gas used and CO₂ emissions, providing green gas to communities |
| Products and services | ○ | ○ | | | ○ | | Biodiversity Resource recycling | Medium to long | Encouraging new development | <ul style="list-style-type: none"> Improving quality and yield of agricultural products Developing and expanding sales of agricultural materials derived from brewing yeast cell walls, composting accelerators using microbes, and growth promotants Reducing waste by developing upcycled products that use timber from forest-thinning, by-products, and waste as materials | <ul style="list-style-type: none"> Sustainable food procurement through increasing crop yields, improving agricultural product quality, reducing usage of chemical fertilizers, and reducing CO₂ emissions Reducing food waste, revitalizing regional economies |
| | | | | | | ○ | Biodiversity Resource recycling | Short to long | Changing consumer tastes | <ul style="list-style-type: none"> Developing products and services addressing environmental issues Providing eco-friendly packaging and unlabeled containers in response to increasing demand for environmentally friendly products | <ul style="list-style-type: none"> Developing products and services addressing environmental issues Creating new value |
| Markets | ○ | ○ | ○ | ○ | ○ | ○ | | Short to long | Diversification of financial assets | <ul style="list-style-type: none"> Issuing Green Bonds Acquiring financing through Green Bonds as a means of securing finance on conditions favorable to promoting responses to climate change | |
| Resilience | ○ | ○ | ○ | ○ | ○ | ○ | Biodiversity Resource recycling | Short to long | | <ul style="list-style-type: none"> Coordinating and reinforcing recycled materials initiatives Collaborating with businesses that have recycling technology, participating in initiatives | |
| | | ○ | | | | | Biodiversity Resource recycling | Short to long | Stable supply of ingredients and materials | <ul style="list-style-type: none"> Securing water supply sources Water resource maintenance using the power of nature, including rainwater and drainage area ponds | <ul style="list-style-type: none"> Stable raw materials procurement Securing ability to supply products CO₂ emissions reductions and biodiversity recovery Encouraging resource recycling of PET bottles and caps |
| | | ○ | | | | | Biodiversity Resource recycling | Short to long | | <ul style="list-style-type: none"> Securing raw materials supply Helping agricultural producers improve the sustainability of key agricultural raw materials | |

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Risks

Transition Risk: Policy and Legal Increasing Costs of Responding to Environmental Regulations

Among the risks we have identified, we recognize that transition risks (policy and legal) and physical risks (acute, chronic) may have a large financial impact, which is why we evaluate their business impacts.

Existing Energy Cost Increases Due to Tighter Environmental Regulations



Under the Asahi Group Environmental Vision 2050, we are taking steps to achieve Asahi Carbon Zero, an initiative that aims for zero CO₂ emissions within our value chain. However, while circumstances vary by country and region, we anticipate a significant financial impact from the introduction of a carbon tax. For this reason, in our 2022 scenario analysis under a 1.5°C scenario, we calculated the impact of a carbon tax for 2030 and 2050.

Scope 1 and 2

The Asahi Group calculated the financial impact of the introduction of a carbon tax on its production operations

for 2030 and 2050, specifically toward its Scope 1 and 2 emissions in the Alcohol Beverages (Japan, Europe, and Oceania), Non-Alcohol Beverages (Japan, Oceania, and Southeast Asia), and Food (Japan) categories.

In the trial calculation for 2022, the financial impact of a carbon tax increased in comparison to the trial calculation we performed in 2021. This was due to the impact of the exchange rate when converting carbon tax amounts predicted by the IEA's "Net Zero by 2050: A Roadmap for the Global Energy Sector (NZE)" into yen. We have confirmed that if we reach Asahi Carbon Zero's interim target of a 70% reduction of CO₂ emissions by 2030, this would result in a reduction of 6.2 billion yen in 2030 and the entire cost amount of 15.3 billion yen if we achieve zero CO₂ emissions in 2050.

| | 2030 | | | 2050 | |
|-----------------------------------|--|--|------------------------|---|------------------------|
| | Scope 2 electric power CO ₂ emission factor | Amount of carbon tax | Total financial impact | Amount of carbon tax | Total financial impact |
| Experimental calculation for 2022 | -70% | \$130/ton (Developed countries)/ \$90/ton (Developing countries) | ¥9.0 billion | \$250/ton (Developed countries)/ \$200/ton (Developing countries) | ¥15.3 billion |
| Experimental calculation for 2021 | -69.1% | \$130/ton (Developed countries)/ \$90/ton (Developing countries) | ¥8.0 billion | \$250/ton (Developed countries)/ \$200/ton (Developing countries) | ¥12.2 billion |

Notes: 1 The financial impact is calculated from the volume of CO₂ emissions during manufacturing.

2 The Scope 2 emission calculations for 2021 come from the IEA NZE. Emission calculations for 2022 come from the IEA's "World Energy Outlook 2021."

Calculation Method

In 2021, we calculated the impact based on the assumption that the carbon tax would be 130 dollars/ton (90 dollars/ton in Southeast Asia) in 2030 and 250 dollars/ton (200 dollars/ton in Southeast Asia) in 2050. We also expanded the scope to cover Scope 1 and 2 CO₂ emissions in the Alcohol Beverages (Japan, Europe, and Oceania), Non-Alcohol Beverages (Japan, Oceania, and Southeast Asia), and Food (Japan) categories. Furthermore, we used a Scope 2 emission factor for electricity that is 69.1% lower than our current emission factor.

In 2022, we used the same IEA NZE assumptions for carbon tax costs as we did in 2021. However, we used an amount obtained by subtracting a tax (e.g. Japan's global warming tax) equivalent to the carbon tax currently implemented in each country and region. Calculation targets for CO₂ emissions are the same as they were for 2021. Using IEA World Energy Outlook 2021 data, we set the Scope 2 emission factor for electricity 70% lower than the present value.

Significant differences in exchange rates between 2021 and 2022 also affected the total financial impact.

Scope 3

Regarding impacts on Scope 3, we estimated the impact of the introduction of a carbon tax on Category 1 (packaging). For 2022, we expanded our scope and also estimated Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution) financial impacts. Note that, although we have included data with updated Scope 3 emissions intensity in "CO₂ Emissions," this analysis is based on 2021 CO₂ emissions data from before the update.

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Scope 3 Category 1 (Packaging)

In regard to 2030 and 2050, the targeted years of Asahi Carbon Zero, we calculated the financial impact of the introduction of a carbon tax on packaging in 2022, which, as in the previous year, accounted for approximately 40% of the Scope 3 emissions of the Asahi Group. The scope of this calculation covered six varieties of representative containers: PET bottles, aluminum cans, steel cans, glass bottles, plastic bottles, and paper cartons.

In this trial calculation, as with Scope 1 and 2, the carbon tax amount is calculated by subtracting the current taxation amount from the IEA NZE's expected carbon tax. Additionally, the estimated amount has increased in comparison with the 2021 trial calculation due to the exchange rates used to convert amounts into yen.

Accordingly, the amount of carbon tax, which is now expected to cover all containers, is forecast to be 37.6 billion yen in 2030 and 72.8 billion yen in 2050.

■ Calculation Method

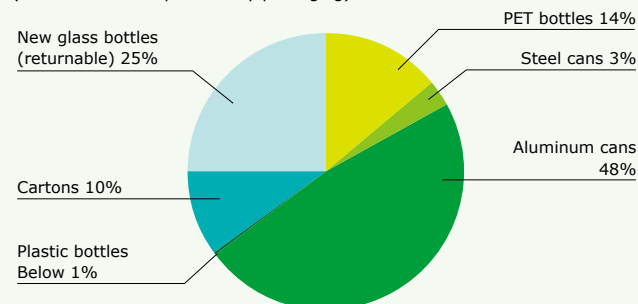
In 2022, our trial calculations focused on six major varieties of packaging from Japan (Alcohol Beverages and Non-Alcohol Beverages), Europe, Oceania, and Southeast Asia.

We calculated carbon tax amounts for 2021 based on estimates of 130 dollars/ton (90 dollars/ton in Southeast Asia) in 2030 and 250 dollars/ton (200 dollars/ton in Southeast Asia) in 2050. However, our trial calculations for 2022 are based on the cost increase from current conditions found by deducting a tax amount equivalent to the carbon tax currently implemented in each country and region.

In Category 1, impacts on the Asahi Group's finances depend on the pass-along rate for packaging procurement costs. For this trial calculation, we tentatively set the pass-along rate at 100%.

Scope of Experimental Calculation

(CO₂ emission comparisons by packaging)



Financial Impact of Carbon Tax Introduction

| | 2030 | 2050 |
|-----------------------------------|---------------|---------------|
| Experimental calculation for 2022 | ¥37.6 billion | ¥72.8 billion |
| Experimental calculation for 2021 | ¥32.2 billion | ¥62.0 billion |

Notes: 1 The financial impact is calculated from the volume of CO₂ emissions during manufacturing.

2 The amount of carbon tax (cost per ton) is independently estimated and set according to the forecast figures from the IEA NZE.

Scope 3 Category 4 (Upstream Transportation and Distribution) and Category 9 (Downstream Transportation and Distribution)

In 2022, we expanded our impact estimates for carbon tax introduction to include Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution, and sales and cooling by own assets), which account for approximately 30% of the Asahi Group's Scope 3 emissions.

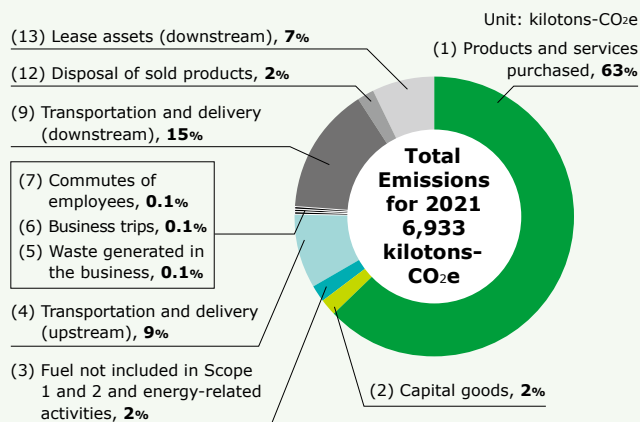
In this trial calculation, as with Scope 1 and 2, the carbon tax amount is calculated by subtracting the current taxation amount from the IEA NZE's expected carbon tax. This estimated amount has increased in comparison with the 2021 trial calculation due to the exchange rates used to convert amounts into yen.

Accordingly, the financial impact of Category 4 (upstream transportation and distribution) is forecast to reach 9.9 billion yen in 2030 and 19.5 billion yen in 2050, while that of Category 9 (downstream transportation and distribution) is forecast to reach 5.7 billion yen in 2030 and 11.6 billion yen in 2050.

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2021 Scope 3 Greenhouse Gas Emissions



Click here [🔗](#) for more information. In the "CO₂ Emissions" section, we updated Scope 3 emission figures using the latest emission factors. However, our analysis here was based on the Scope 3 emission figures prior to this update, and hence these figures are different.

Financial Impact of Carbon Tax Introduction

| | 2030 | 2050 |
|--------------------|--------------|---------------|
| Scope 3 Category 4 | ¥9.9 billion | ¥19.5 billion |
| Scope 3 Category 9 | ¥5.7 billion | ¥11.6 billion |

Notes: 1 The scope for CO₂ emissions calculations is Japan, Europe, Oceania, and Southeast Asia, which account for 90% of the Group's revenue. 2 The amount of carbon tax (cost per ton) is independently estimated and set according to the forecast figures from the IEA NZE.

■ Calculation Method

In 2022, as with the previous year, our trial calculations focused on six major varieties of packaging from Japan (Alcohol Beverages and Non-Alcohol Beverages), Europe, and Oceania.

We calculated carbon tax amounts for 2021 based on estimates of 130 dollars/ton (90 dollars/ton in Southeast Asia) in 2030, and 250 dollars/ton (200 dollars/ton in Southeast Asia) in 2050. However, our trial calculations for 2022 are based on the cost increase from current conditions found by deducting a tax amount equivalent to the carbon tax currently implemented in each country and region.

In Categories 4 and 9, impacts on the Asahi Group's finances depend on the pass-along rate for transportation and distribution commission fees. For this trial calculation, we tentatively set the pass-along rate at 100%.

Strategies

Within the Asahi Group Environmental Vision 2050, the Asahi Group has stipulated Beyond Carbon Neutral as what we would like the world to be like in 2050. Accordingly, we seek to contribute to the reduction of CO₂ emissions across the value chain and throughout society.

In addition, the Asahi Group has set medium- and long-term goals with regard to climate change in the form of the Asahi Carbon Zero initiative. With Asahi Carbon Zero, the Asahi Group aims to achieve zero CO₂ emissions in Scope 1, 2, and 3 by 2050, and, as an interim target, reduce emissions by 70% for Scope 1 and 2 and by 30% for Scope 3 by 2030. In addition to this interim target, we have set a new target of 40% reduction by 2025 for Scope 1 and 2.

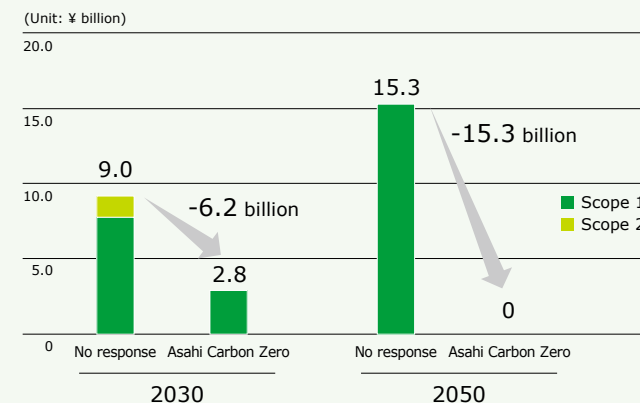
In order to achieve these goals, we are introducing renewable energy, capturing and reusing steam and other waste heat given off during the manufacturing

process, introducing cogeneration facilities, and transitioning to alternative fuels. Going forward, the Group will invest over 50.0 billion yen in similar initiatives in an effort to reach its CO₂ reduction targets for 2030.

[Related Information](#) > [Respond to Climate Change](#)

Effects of Achieving Asahi Carbon Zero

Experimental Calculation of Total Financial Impact of Carbon Tax for 2022



Example Activities

Factories of the Asahi Group engage in many different activities to reduce CO₂ emissions in the manufacturing process, and are continuing their efforts to introduce eco-friendly and energy-saving equipment.

- [Related Information](#) > [Installation of Cogeneration Systems and Anaerobic Wastewater Treatment Plants](#)
- > [Implementation of Energy-Efficient Lighting Solutions in Manufacturing and Distribution Sites](#)

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Taxation on Fossil Fuel Materials Due to Tighter Environmental Regulations



Scenario analysis shows that resource recycling and climate change are social issues that affect each other, and suggests that regulations introduced in the context of resource recycling will eventually accelerate climate change countermeasures by companies and society as a whole.

For this reason, in 2022 we conducted a new analysis of resource recycling risks and estimated their financial impact.

Impacts of a Global Plastic Packaging Tax

The UK's plastic packaging tax seeks to encourage resource recycling and eliminate plastics by imposing a tax on any packaging which uses less than a certain percentage of recycled plastic. This regulation curbs the use of fossil fuel-derived plastics, and indicates that regulations aimed at resource recycling pose a potential transition risk, even in the context of climate change.

In our 2022 analysis, we positioned a plastic packaging tax as a transition risk in the context of climate change and analyzed the potential financial impact if regulations were to be introduced for each region where the Asahi Group operates. Although the results take the UK's plastic packaging tax as a basis for the necessary assumptions, they suggest that the financial impact would be 2.5 billion yen if no measures were taken to address this issue, which would make this a major risk for the Asahi Group.

■ Calculation Method

We estimated taxation amounts for the packaging we currently use in four of the regions where the Asahi Group operates (Japan, Europe, Oceania, and Southeast Asia) if regulations were introduced in each region with the same content as the plastic packaging tax introduced in the UK.

In the UK, packaging which does not use more than 30% recycled plastic is taxed. For this trial calculation, we began by focusing exclusively on PET bottles. Starting with the packaging the Asahi Group uses in each region, we established the weight of taxable packaging and multiplied by the taxation rate (200 pounds/ton) to estimate the financial impact.

Strategies

The Asahi Group has diversified its goals in order to achieve resource recycling, including transitioning to 100% eco-friendly materials for PET bottles by 2030. By achieving these goals, it will be possible to reduce the financial impacts from an aforementioned plastic packaging tax to zero.*

*Assuming that recycled plastics are adopted as the eco-friendly materials in question

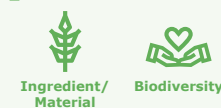
[Related Information](#) ► Sustainable Packaging

Example Activities

[Related Information](#) ► Establishing a Factory for Manufacturing Raw Materials for Recycled PET Bottles

Physical Risk: Chronic Increasing Costs of Permanent Climate Change

Reduced Agricultural Raw Materials Yield



The Asahi Group analyzed the impact of climate change for each of the main agricultural raw materials used in its Beer Category (barley, hops, corn, and rice), along with coffee, milk, and sugar, which are primary raw materials for its Non-Alcohol Beverages Category (e.g., carbonated beverages, dairy beverages, coffee-based beverages) and Non-Beer Alcohol Beverages Category (e.g., Western liquors, shochu). We also added palm oil, soybean, and cacao to the analysis scope, since these are important raw materials used in the Food Category that are thought to have a major impact on business continuity due to their high procurement volume and cost. The results of this analysis showed that climate change has created the risk of a reduction in harvest yields. Specifically, the Asahi Group analyzed numerous reference materials regarding the impact of climate change on agricultural products and performed trial calculations according to both agricultural product type and production area to carefully identify potential changes in harvest yields. We also estimated future prices and calculated the financial impact of climate change.

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The impact on procurement costs due to reduced yields of agricultural products is currently based on the results of analysis under 2°C and 4°C scenarios. Moving forward, we will continue to research and analyze reports and other source material regarding yield forecasts and future prices of main agricultural raw materials in 2050 in order to estimate the financial impact of the 1.5°C scenario as well.

Yield Forecasts for Each Scenario in 2050 (Compared with Current Yields)

It has become clear that the yield for barley, the main ingredient in the Beer Category, is expected to decrease significantly in some areas. Yields are expected to decrease in Poland and the Southern region of Italy.

Under the 4°C scenario, yields are expected to decrease significantly in numerous production areas for corn and coffee, common raw materials in each category and the main raw materials in the Non-Alcohol Beverages Category.

More than a 15% decrease compared with current yields

| | Item | Country of Production | 2°C Scenario | 4°C Scenario |
|-------------------------------------|--------------------------|------------------------------------|--------------|--------------|
| Main Raw Materials in Beer Category | Barley | Canada (Spring) | +1% | +2% |
| | | France (Spring) | -10% | -18% |
| | | France (Winter) | -5% | -10% |
| | | Eastern Region of Germany (Winter) | +8% | +19% |
| | | Australia | -7% | -13% |
| | | Czech Republic (Spring) | +18% | +7% |
| | | Hungary (Spring) | +4% | +9% |
| | | Northern Region of Italy (Winter) | +10% | +14% |
| | | Southern Region of Italy (Winter) | -8% | -11% |
| | Poland | -9% | -15% | |
| Hops | Czech Republic (Yield) | -5% | -7% | |
| | Czech Republic (Quality) | -13% | -25% | |

| | Item | Country of Production | 2°C Scenario | 4°C Scenario |
|---------------------------------------|------|-----------------------|--------------|--------------|
| Common Raw Materials in Each Category | Corn | United States | -12% | -24% |
| | | Brazil | -3% | -9% |
| | | Argentina | -9% | -16% |
| | | China | 0% | -10% |
| | | Ukraine | -17% | -26% |
| | | Germany | -2% | -4% |
| Australia | -13% | -27% | | |

More than a 15% decrease compared with current yields

| | Item | Country of Production | 2°C Scenario | 4°C Scenario |
|--|----------|-----------------------|--------------|--------------|
| Main Raw Materials in Non-Alcohol Beverages Category | Sugar | Australia | +1% | +2% |
| | | Brazil | +3% | +12% |
| | | India | 0% | -3% |
| | | Japan | +2% | +21% |
| | | Thailand | -26% | -45% |
| | Raw milk | Australia | -9% | -19% |
| | | United States | -6% | -11% |
| | | Japan | -2% | -3% |
| | Coffee | New Zealand | -2% | -2% |
| | | Brazil | -8% | -23% |
| Colombia | | -4% | -15% | |
| Guatemala | | -11% | -17% | |
| Tanzania | | -2% | -9% | |
| Ethiopia | -8% | -25% | | |
| Vietnam | -9% | -24% | | |
| Indonesia | -10% | -30% | | |

| | Item | Country of Production | 2°C Scenario | 4°C Scenario |
|---|----------|----------------------------|--------------|--------------|
| Main Raw Materials in the Food Category | Palm oil | Indonesia (Suitable Areas) | +1% | -1% |
| | | Malaysia | -3% | -13% |
| | Cacao | Ghana | +4% | +11% |
| | | Côte d'Ivoire | +1% | +12% |
| | Soybean | United States | -5% | -10% |
| | | Canada | +16% | +28% |
| China | | 0% | +5% | |
| Japan (Hokkaido) | +6% | +9% | | |

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



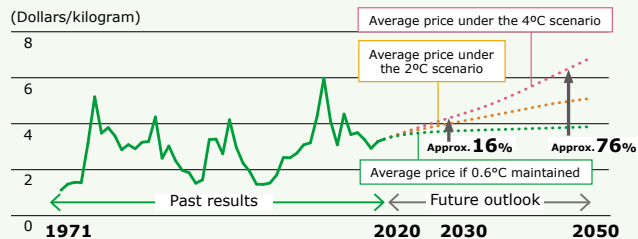
Future Prices Outlook and Financial Impact

The Asahi Group estimated the future prices of coffee, corn, and sugar, which are high-risk agricultural raw materials used in the Non-Alcohol Beverages Category, to experimentally calculate their financial impact.

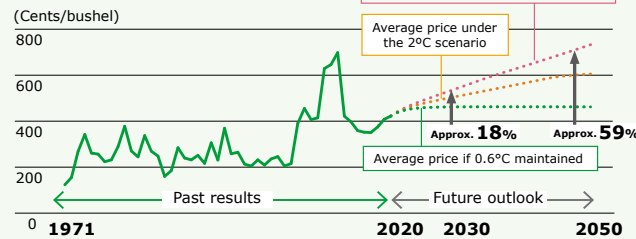
The Asahi Group experimentally calculated the financial impact of climate change based on the amount of raw materials purchased for the current Non-Alcohol Beverages Category (including outside Japan). This revealed a potential increase of 1.9 billion yen in the cost of corn and a potential increase of approximately 2.6 billion yen in the cost of coffee. Meanwhile, the financial impact for sugar is expected to decrease since the price has fallen due to an increase in production volume.

Although we anticipate price increases for palm oil and soybean due to decrease in production volume in some areas, this increase is minor compared to fluctuations caused by factors other than production volume changes. At the same time, the price of cacao is expected to fall due to an increase in production volume. Barley, which we added to our research in 2021, also has a limited risk of price increase due to climate change, with an anticipated financial impact of approximately 400 million yen in 2050.

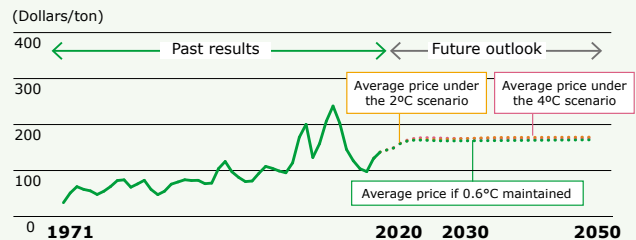
Forecast for Price of Coffee



Forecast for Price of Corn



Forecast for Price of Barley



Experimental Calculations of Financial Impact in 2050

| Item | 4°C Scenario |
|----------|---------------|
| Palm oil | ¥20 million |
| Cacao | -¥60 million |
| Soybean | ¥4 million |
| Barley | ¥400 million |
| Sugar | -¥2.4 billion |

Calculation Method

Basis of calculations: From historical price trends, we derived a formula to identify variables (balance of production and consumption, GDP per capita, previous year's market price, and proportion of ethanol raw materials [corn only]) and used regression analysis to reproduce past prices. Predictions of future production and consumption, GDP per capita, and proportion of ethanol raw materials (corn only) were entered into the formula to estimate future prices.

Note: Calculations are based on average annual temperature increases for each scenario. Sudden changes in crop yields or procurement costs accompanying possible short-term extreme weather events (such as increases in temperature or changes in precipitation) cannot be forecast due to the limits of climate forecasting. Keeping this point in mind, the Asahi Group conducts risk management and formulates strategies based on the results of these calculations.

Strategies

To stabilize the procurement of raw materials that are essential to the Asahi Group's businesses, we aim to cooperate with and support farmers in all areas where raw materials are sourced. Additionally, we aim to optimize procurement by promoting countermeasures, such as sharing the results with suppliers on future risks.

Related Information > Sustainable Agricultural Raw Materials

Example Activities

- Related Information > Support Agricultural Production Areas in Their Farming Practices
- > Share Information with Raw Materials Suppliers
- > "FOR HOPS" Project That Supports Hop Farmers
- > Commitment to Sustainable Palm Oil

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Impact of Changes to Precipitation Patterns



Ingredient/
Material



Biodiversity

For the Asahi Group, which makes use of the gifts of nature in its business activities, water is an indispensable resource. Water is also one of the elements upon which the circulation of the Earth's resources depends, and is a vital resource which supports human life and all natural ecosystems. In recent years, global water demand has increased annually due to the intensification of disasters linked to climate change and worldwide competition for water resources linked to population growth. In the future, there is concern that areas with water shortages will expand further.

The Asahi Group believes it is our mission to add value to a precious resource such as this, not only helping to improve the quality of people's lives but also contributing to regional water circulation and the reduction and elimination of environmental impacts.

In 2022, we conducted a more detailed water risk analysis after reevaluating water resources for the Asahi Group from two perspectives: water in raw material production areas and water as a raw material. These risk analysis results clearly show which sites are at high risk in terms of impact on operations and the procurement of water as a raw material, as well as the scale of expected damage. In addition to this analysis, the Asahi Group has separately conducted even more detailed water risk analyses for particularly high-risk sites. Moving forward, we will implement measures at high-risk sites while also promoting initiatives which contribute to nature-positive outcomes.

Strategies

The Asahi Group will implement the assessment of water-related risks and the reinforcement of response measures while promoting the further reduction of water usage in plants.

[Related Information](#) > [Sustainable Water Resources](#)

Impacts on Water as a Raw Material

■ Water Supply Cost Increases

We examined the regions where the Asahi Group procures water as a raw material and identified 20 sites in Japan and 26 sites outside Japan* as sites with a high water risk. If water supply costs were to increase due to the depletion of water resources at these sites, the resulting cost increase would be 500 million yen per year.

*The sites identified outside Japan consist of 2 in the UK, 1 in the Czech Republic, 3 in Poland, 2 in Romania, 4 in Italy, 1 in the Netherlands, 9 in Australia, 2 in Malaysia, and 2 in Indonesia.

■ Calculation Method

Using the Aqueduct Water Risk Atlas, a World Resources Institute (WRI) tool, we identified sites with high water risk* under 4°C and 1.5°C scenarios in 2040. We also estimated the financial impact if water supply costs were to increase due to climate change at high-risk sites.

*In Aqueduct, water risk is assessed in terms of absolute value (water demand divided by available volume).

■ Changes in Quality of Groundwater and River Water

We examined the impact of rising temperatures on groundwater quality, as well as deterioration of water

quality due to river water suspension caused by heavy rains and the possibility of tap water substitution. However, there was no clear scientific basis, such as reports or other literature, upon which to interpret the relationship between climate change and the groundwater quality at our business sites. We will continue to monitor changing conditions.

Physical Risk: Acute Impact of Natural Disasters Due to Extreme Weather

Changing Crop Yields



Ingredient/
Material



Biodiversity

The Asahi Group conducts water risk surveys because water is its most basic raw material and is also necessary for the growth of farm products.

In places where farm products are grown, the Asahi Group assesses risks relating to the quantity of water (water stress, seasonal variation, the lowering of groundwater levels, and other risks that may increase the difficulty of securing the water necessary to grow farm products), natural disaster risks (floods and droughts), and regulatory risks (risks of developing a reputation that may deeply impact the society, culture, or human rights of people living in the basin).

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Water Risks in Agricultural Raw Material Production Areas

The results showed that the Group faces risks in each of the areas where it procures raw materials, as shown in the chart to the right.

- Current and future water stress is extremely high in China and the United States. Such risk increases when irrigation water is being used.
- In the United States, where soybean and corn are produced, the business impact of future water stress is extremely high in Michigan, while the business impact of future water stress and risk to reputation is extremely high in Illinois.
- Flood risks are extremely high in the Czech Republic, where barley is produced. Concerns of business impact would arise in the event of floods or other water-related disasters affecting farmland, storage facilities, or transportation methods. Drought risks and risk to reputation were also high in the country.
- In Brazil, where coffee is produced, risk to reputation is extremely high in Minas Gerais and flood risks are extremely high in São Paulo.
- In Australia, where sugarcane is produced, the risk to reputation is extremely high. A significant business impact would also arise in the event that our reputation were damaged due to misinformation. Furthermore, in Queensland, there are concerns of business impact from flood risks.

■ Calculation Method

We identified regional raw material production risks

through survey indicators*¹ and also identified major suppliers and production areas that have significant business impacts by conducting evaluations through a combination of water risk survey indicators and business characteristic indicators.*²

*1 Survey indicators: Water stress, future water stress, flood risks, drought risks, regulatory risks, and risk to reputation. These risks were evaluated using the five grades of "extremely low," "low," "moderate," "high," and "extremely high."

*2 Business characteristic indicators: Procurement amount and water consumption amount

Extremely high High

| | Raw material | Raw material producing countries with high risks | Risk type | | | | | |
|--|---------------------------------|--|----------------|---------------------|---------|----------------|------------|----------------|
| | | | Water stress | Future water stress | Drought | Flood | Regulatory | Reputation |
| Food Category | Palm oil | Malaysia | | | | High | | High |
| | | Indonesia | | | High | High | | Extremely high |
| | | The Philippines | | | High | High | | High |
| | Soybean | Japan | | High | | | | |
| | | China | High | Extremely high | | High | | Extremely high |
| | | Canada | | | | | | High |
| | Raw milk | United States | Extremely high | Extremely high | | High | | High |
| | | The Netherlands | High | | | High | | |
| | Cacao | Ghana | | | | High | | |
| Côte d'Ivoire | | | | | | High | | |
| Beer Category | Barley | Czech Republic | | | High | Extremely high | | High |
| | | Italy | | High | | | | |
| | Hops | Poland | | | High | | | High |
| | | Germany | | | | High | | High |
| Rice | Japan | | | | High | | High | |
| Common in each category | Corn | United States | | | | Extremely high | | Extremely high |
| Non-Alcohol Beverages and Other Alcohol Beverages categories | Coffee | Brazil | | | | Extremely high | | Extremely high |
| | Sugarcane | Thailand | | | | High | | High |
| | | Australia | | | | High | | Extremely high |
| | Skim milk and whole milk powder | | | High | | | | |

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Strategies

In response to water risks related to raw material procurement, we have been conducting interviews regarding the water risk situation as part of supplier quality audits. Additionally, the Asahi Group is in the process of confirming information about local agricultural production areas and suppliers that are likely to suffer from water risks by considering the water resources and environments in these areas. We will implement appropriate countermeasures that are relevant to the situation and surroundings if it becomes clear that water-related risks exist.

Related Information > [Supplier Water Risk Survey](#)

Damage to Sites



Manufacturing

Impacts Due to Natural Disasters at Manufacturing Sites: Damage to Property, Plant, and Equipment, and Opportunity Loss Due to Suspension of Operations

Damage to property, plant, and equipment:

Assuming a 4°C scenario in 2050, total flood damage at high-risk manufacturing sites will be 1.9 billion yen.

Opportunity loss due to suspension of operations:

Assuming a 4°C scenario in 2050, total damage at high-risk manufacturing sites will be 6.6 billion yen.

Calculation Method

Using the WRI tool Aqueduct Floods, we identified

bases with a high risk of flooding under 4°C and 1.5°C scenarios in 2050. We then estimated the financial impact from two perspectives: damage to property, plant, and equipment, and opportunity loss due to suspension of operations for high risk sites.

Analysis Results for Damage to Property, Plant, and Equipment, and Opportunity Loss Due to Suspension of Operations

| Item | Affected regions | Amount of damage | | | | |
|--|---|------------------|-------|--------|---------|----------------|
| | | Total | Japan | Europe | Oceania | Southeast Asia |
| Damage to property, plant, and equipment | 5 sites in Japan, Europe, and Oceania | 1.9 | 0.18 | 1.7 | 0.01 | 0.0 |
| Opportunity loss due to suspension of operations | 10 sites in Japan, Europe, Oceania, and Southeast Asia (among these, Hokkaido and Satsuma Tsukasa Distillery in Japan have a high risk of flooding) | 6.6 | 2.1 | 2.7 | 1.3 | 0.5 |

Note: Units are in billions of yen rounded down to two significant figures. For this reason, totals may not match.

Strategies

The Asahi Group is creating systems that, in the event of natural disasters, minimize the impact on Group business activities by undertaking the development of various action manuals, ensuring the maintenance of facilities and equipment, and holding emergency drills on themes such as ensuring the safety of employees (and their families) and business continuity.

Opportunities

The Asahi Group recognizes that climate change is not only a business risk but also an opportunity to increase corporate value by contributing to climate change mitigation and adaptation through the provision of our products and services. By expanding efforts toward decarbonization, developing agricultural materials that utilize the Group's unique technologies, supporting the production of raw materials in response to climate change, and selling products with a lower environmental impact, we will minimize our impact on climate change and create a positive impact on society.

In 2022, we took stock of our global initiatives and considered both the business and social impacts of the opportunities brought about by climate change. In addition, to gain a more definitive understanding of the impacts on the environment brought about by initiatives such as the expansion of sales channels for agricultural materials derived from brewing yeast cell walls and the expanded use of composting accelerators that utilize microorganisms, we conducted literature surveys on market scale and other external environmental changes.

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Opportunities: Resource Efficiency Distribution and Sales Process Efficiency

Cost/CO₂ Reduction from More Efficient Distribution



Transportation/
Distribution
(Upstream/
Downstream)

Joint Logistics with Other Firms

The Asahi Group is fully committed to engaging in a variety of different activities with the aim of reducing damage to the environment arising from the transportation of goods.

Example Activities

- Related Information >
- > Joint Distribution with Other Firms
 - > Modal Shift
 - > Implementation of Energy-Efficient Lighting Solutions in Manufacturing and Distribution Sites

Reduction of Environmental Impact of Restaurants



Sales

Example Activities

Plzeňský Prazdroj, a.s., part of Asahi Europe and International Ltd., launched the "Smart Taproom" project with technology partners Czech Institute of

Informatics, Robotics and Cybernetics (CIIRC ČVUT), Microsoft, Aadastra, and Smart Technology to install monitoring equipment with 1,200 sensors to monitor and collect data on the water and energy consumption across the beer flow for 12 months. They recommended improving the pub's systems to manage its water and electricity expenses, helping to reduce water and energy consumption.

They will gradually install sensors in 45 pubs in the Czech Republic and will measure energy and water consumption in the entire beer pipeline during 2023. The goal is to help pubs and restaurants reduce energy use in their taprooms by up to 30% in the future.

Impact

As we work to reduce our environmental impact through measures such as CO₂ emission reductions, we are also engaged in resolving social issues such as driver and labor shortages by reducing long-distance road freight and deploying automation, respectively. We also help reduce costs and improve resource use efficacy by streamlining processes for our clients.

Opportunities: Energy Resources Low-carbon Energy Provision

Deploying Low-carbon Equipment/ Greening Regions



Manufacturing

Consumer

Resource
Recycling

Example Activities

Related Information > Biomethane Gas Sales

Impact

Not only have we achieved carbon neutrality at the Koninklijke Grolsch N.V. (Netherlands) brewery, we have also realized resource recycling through collaborations between businesses and localities, thereby contributing to regional efforts to go green by using less energy (natural gas) and reducing CO₂ emissions.

Opportunities: Products and Services Encouraging New Development

Improving Quality and Yield of Agricultural Products



R&D



Ingredient/
Material



Sales



Biodiversity



Resource
Recycling

Expansion of Sales Channels for Agricultural Materials Derived from Brewing Yeast Cell Walls

Amid expectations to respond to environmental issues, including climate change, new food system strategies are being conceived in countries around the world. The reduction in volume of chemical fertilizer and agrochemical use has been set as one of the targets within these strategies. The scale of the fertilizer market

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



in Japan is approximately 346 billion yen (as of 2018), with rice cultivation and agricultural and horticultural applications accounting for 90% of the total market. Regulations around fertilizer composition are currently being reviewed in Japan with the aim of restoring farmland fertility and improving the nutritional balance of the soil. The goal is to develop and expand the application of innovative crop protection technologies which use materials that encourage plant growth and improve their resistance to diseases (biostimulants). Demand for soil improvement materials that do not rely on chemical fertilizers is expected to increase in the coming years.

In addition to these demands, rising temperatures and droughts due to climate change are expected to increase the frequency and scale of agricultural damage as well as increase the risk of reduced yields and quality deterioration of agricultural products. Under these circumstances, we believe that agricultural materials derived from brewing yeast cell walls (fertilizer raw materials) that are expected to improve crop growth can serve as a biostimulant and that demand for such materials will continue to increase.

With respect to reducing CO₂ emissions, we performed a verification test at Accordia Golf Co., Ltd.'s Narita Golf Club using agricultural materials derived from brewing yeast cell walls to manage the course. This allowed a great reduction in the use of agrochemicals and fertilizers. Using a lifecycle assessment methodology to quantify greenhouse gas emissions, we attained the remarkable result of a 22.3% total reduction of

greenhouse gases per unit area and per value (service) compared with conventional golf course management practices.

Asahi Biocycle Co., Ltd. carried out evaluation tests in collaboration with JA Gifu (Gifu, Gifu Prefecture, Japan) and Gifu University to confirm whether we can reduce damage to rice plants from golden apple snails* by using agricultural materials derived from brewing yeast cell walls in rice cultivation. Golden apple snails are an invasive species of shellfish that are known for causing damage to crops in paddy fields, such as rice, and thrive in warm regions. Furthermore, the expansion of their habitat due to the impact of global warming is becoming a serious agricultural issue. In June 2020, we used agricultural materials derived from brewing yeast cell walls (raw materials in fertilizer) in conjunction with the transplantation of rice seedlings in approximately five hectares of paddy fields in Mizuho, Gifu Prefecture, Japan. After using these fertilizer raw materials, we observed very little damage to the rice plants compared with adjacent fields that did not use the fertilizer. In 2021, the second year of the evaluation tests, we expanded the area of the tests to a total of 12 hectares of paddy fields belonging to JA Gifu's Sunami Agricultural Association.

*Scientific name: *Pomacea canaliculata*

- Related Information
- [Utilization of Brewing Yeast Cell Walls](#)
 - [Agriculture Support Using By-Products](#)

Impact

The agricultural materials derived from brewing yeast cell walls developed by the Asahi Group have been confirmed

to have positive effects including the enhancement of crop immunity against disease, increase in yield, and increase in quality of agricultural products. These agricultural materials can also be utilized with diverse crops and are expected to reduce agrochemical use and reduce the CO₂ emissions corresponding to yield.

By connecting people around the world who use agricultural materials with the Asahi Group's yeast technology, we will bring about innovation in agricultural production and facilitate a transition to agriculture that is considerate of both people and the environment. In addition to business impacts such as the realization of sustainable agricultural raw materials, these efforts could also lead to solutions for the climate change issue.

Expanding the Use of Microbial Composting Accelerators

Amid a need to further reduce environmental impacts, waste materials have become a serious global issue. In fiscal 2018, the amount of standard waste generated in Japan was 42.72 million tons, enough to fill Tokyo Dome 115 times over. This waste is incinerated, shredded, and sorted, among other disposal methods, but a large amount of CO₂ is emitted during incineration, and there is an increasing demand for alternative waste disposal methods and resource utilization measures.

Asahi Biocycle Co., Ltd. has been conducting long-term research on creating new value from and uses for microorganisms, and using them to promote food resource recycling. Currently, food waste is often incinerated as a waste material, but Asahi Biocycle Co.,

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Ltd. has developed a product (technology) that uses microbial fermentation to reduce the volume of food waste and reuse it as compost.



Related Information > Use of a Composting Accelerator

Impact

THERVELICS, a composting accelerator derived from microorganisms containing *Bacillus subtilis* C-3102, is highly effective at breaking down organic matter and can efficiently improve the composting process by accelerating temperature increase and reducing waste volume. The resulting compost nourishes soil for growing grains, vegetables, and fruit that end up back on the dinner table, thereby achieving food resource recycling.

Marketing Craft Beer That Utilizes Discarded Raw Materials

Related Information > Local Issue Resolution and Revitalization Involvement through Sustainable Craft Beer (Japan)

Sales of Upcycled Granola

In August 2022, Asahi You. Us, Ltd. began marketing a granola which uses brewer's grains as a raw material. Brewer's grains are the spent malt generated as part of the filtration process during beer production. The Asahi Group mainly uses this material as feed, but Asahi You. Us, Ltd. and GRail Japan Co., Ltd. took advantage of its rich dietary fiber, high protein, and low sugar content to upcycle it as granola.



Impact

Through these products, we will reduce food waste, help resolve environmental issues by creating new value, and contribute to the creation of diverse employment opportunities and the revitalization of local economies. Moving forward, we will continue to co-create a future of fun, flavor, and comfort by providing sustainable products and services that are highly accessible to consumers as we strive to realize the sustainable society set forth by the Asahi Group.

Opportunities: Products and Services Changing Consumer Preferences

Developing Products and Services Addressing Environmental Issues



Related Information > Unlabeled Bottles: Reducing the Use of Sticker-type Labels to Achieve Completely Unlabeled Bottles

Promoting Brewing and Resource Recycling through Wind Power

The Kompania Piwowarska SA brewery of *Lech* beer not only reduces CO₂ emissions caused by brewing but also effectively utilizes and recycles 99% of the by-products and waste by using wind power produced during the brewery's production process, thereby contributing to environmentally friendly production.

In addition, to reduce plastic consumption, the brewery collects bottles together with partner companies and provides rPET cups made from 100% recyclable materials



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at events. The brewery has also conducted various campaigns through social media, such as informing consumers about how much wind power has been generated since the beginning of the year.

[Related Information](#) > [Using Renewable Energy](#)

Supporting Endangered Wildlife

[Related Information](#) > [Efforts to Protect Endangered Species](#)

VB Solar Exchange

Asahi Beverages Pty Ltd., part of Asahi Holdings (Australia) Pty Ltd., launched an Australian-first energy program “Solar Exchange” in 2021 in association with *Victoria Bitter*, an iconic beer in its portfolio, allowing participants to exchange credit on their power bill—obtained from generating excess solar at home—for beer.

Last year, the program partnered with major bottleshop Dan Murphy’s. The program is part of Asahi Beverages Pty Ltd.’s ambitious sustainability agenda, which includes our target of sourcing or matching 100% of our purchased electricity from or with renewable sources by 2025.

Cool Ridge 100% Recycled PET Bottles

[Related Information](#) > [Establishing a Factory for Manufacturing Raw Materials for Recycled PET Bottles](#)

Impact

Amid support for environmentally friendly products, primarily in Europe and Oceania, the Asahi Group is creating new value that balances environmental impact

reduction with household labor economization, as well as providing products that use eco-friendly materials. Furthermore, by communicating the importance of protecting endangered wildlife and resource recycling, and by promoting low-carbon initiatives with our consumers, we will help mitigate climate change and protect biodiversity.



Opportunities: Markets Diversification of Financial Assets

Issuing Green Bonds



[Related Information](#) > [Green Bonds](#)

Impact

With the proceeds from its Green Bonds, the Asahi Group is going to further accelerate its efforts to work towards the realization of a sustainable society together with the growth of its business operations.

Opportunities: Resilience Stable Supply of Ingredients and Materials

Coordinating and Reinforcing Recycled Materials Initiatives

The Asahi Group has joined alliances seeking the reduction of plastic waste and pollution in various regions. We have also partnered with numerous businesses to promote initiatives involving used PET bottle and cap collection and recycling.

Signing of ANZPAC

In May 2021, Asahi Beverages Pty Ltd. joined other businesses from across Australia, New Zealand, and the Pacific Islands to launch the ANZPAC Plastics Pact, as part of the Ellen MacArthur Foundation’s Plastics Pact Network. The Pact unites businesses, NGOs, and governments behind a series of ambitious 2025 targets to tackle plastic waste and pollution and a shared vision of a circular economy for plastic.

Participation in CLOMA

In January 2019, Asahi Quality & Innovations, Ltd. and Asahi Group Japan, Ltd. joined the Japan Clean Ocean Material Alliance (CLOMA), a platform created to strengthen ties between a diverse range of stakeholders across industries and to accelerate innovation. In this way we

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



seek to strengthen public-private partnerships, encourage the development and widespread adoption of alternatives to plastic, and build an efficient recycling system.

Participation in MAREA

Malaysia's Etika group of companies has joined the Malaysian Recycling Alliance (MAREA), an extended producer responsibility (EPR) platform aiming for a circular economy through more efficient packaging waste management. They are working with the government and other stakeholders to jointly promote the common goals of enhancing collection, promoting the use of recycled and renewable materials, and minimizing post-consumer packaging leakage into the environment.

Launching Horizontal Recycling for PET Bottles Collected from Vending Machines

Asahi Soft Drinks Co., Ltd. has begun a horizontal recycling initiative which collects used PET bottles from vending machine recycle bins, recycles them, and reuses them for the company's PET products. This project began with approximately 2,000 tons of used PET bottles collected from approximately 30,000 vending machines in the Greater Tokyo Area managed and operated by Asahi Soft Drink Sales Co., Ltd. In the future, the company aims to expand this initiative to include Kyushu Asahi Soft Drink Sales Co., Ltd., Michinoku, Ltd., and Asahi Orion Inryo Co., Ltd.

Technology Verification for Horizontal Recycling of PET Bottle Caps

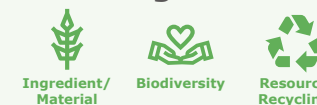
In January 2023, Asahi Group Japan, Ltd., together with Sojitz Pla-Net Corporation and Nippon Closures Co., Ltd., began joint technology verification efforts as we work to achieve "cap-to-cap" horizontal recycling of PET bottle caps. Leveraging the respective strengths of each company, we will work to resolve social issues regarding plastic resource recycling. This consortium will create frameworks and verify technology for cap collection, establish product quality standards, and evaluate business feasibility. If horizontal recycling for caps is commercialized, the initiative is expected to be a beverage industry first. Asahi Soft Drinks Co., Ltd. is considering adopting new caps for its products.

Launching a Recycling Program for Calpis® (Concentrate) Plastic Containers

In collaboration with TerraCycle Japan, Asahi Soft Drinks Co., Ltd. launched a recycling program in June 2022 to collect the 470-milliliter plastic bottles and caps from Calpis® and other concentrate products and recycle them into raw plastic material.

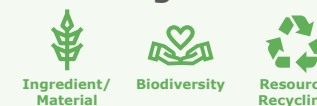
Empty containers and caps from concentrate products are retrieved from collection bins installed in schools and recycled by TerraCycle Japan into raw plastic material which will be utilized as a new resource. Moving forward, Asahi Soft Drinks Co., Ltd. plans to add new collection points not only at schools but also at supermarkets and other locations.

Securing Water Supply Sources



The Radegast brewery of Plzensky Prazdroj, a.s., part of Asahi Europe and International Ltd., is working with a conservation group to build a system that naturally purifies rainwater from the brewery's grounds by means of ponds along the Morávka River basin. The program, which started 20 years ago, purifies dozens of 22-by-50-meter pools of water each year, and it purified more than 62,000 m³ of water in 2021, contributing to the restoration of biodiversity to prevent river flooding. As part of its grant program, over the past five years it has provided more than two million Czech koruna for projects related to the protection of water resources.

Securing Raw Materials Supply



The tradition of growing malting barley in Slovakia is under threat primarily due to climate change. Growers, but also brewers, for whom barley is one of the basic raw materials, are sounding the alarm. The FOR BARLEY project from Plzeňský Prazdroj Slovensko, a.s., part of Asahi Europe and International Ltd., together with the Ekopolis Foundation and experts from the National Forestry Center, is addressing the acute problem of diminishing malting barley acreage.

► Respond to Climate Change ► Initiatives toward the TCFD Recommendations



Impact

We collaborate with experts in various fields, suppliers, and communities on initiatives to preserve water resources affected by climate change and to improve the yield and quality of agricultural raw materials. We are also collaborating with other companies and industry competitors to ensure the stability of our product supply by building our own recycled material procurement routes, and promoting PET bottle and cap resource recycling by calling on consumers to recycle.

In addition to initiatives in areas with some business impact, including stable procurement of water resources, agricultural raw materials, and recycled materials, we are also helping reduce CO₂ emissions related to the disposal of raw materials and conserve biodiversity.

Toward a More Resilient Asahi Group

The Asahi Group has identified important climate-related risks and opportunities and analyzed their business impacts. In 2022, we took the additional step of examining the relationship of these risks and opportunities to resource recycling and biodiversity, and verified the suitability of current initiatives while confirming which measures should be prioritized.

Moving forward, we will evaluate the impact of existing initiatives within the Group business strategy while also striving to further visualize the social impacts the Asahi Group's initiatives produce. Furthermore, we will consider globally expanding our existing initiatives while also

embracing the challenge of new initiatives, reducing climate change risks, and ensuring that we seize opportunities. At the same time, we will work to accurately follow international trends around making non-financial disclosure mandatory and strive to enhance our own information disclosure practices so that our stakeholders will gain an understanding of these initiatives.

For the Asahi Group, which enjoys the gifts of nature in our business, climate change is a serious threat to the continuity of our business activities. At the same time, responding to climate change issues will both contribute to the sustainability of the Asahi Group and help build a sustainable society.

We will continue to consider and implement measures to further increase the certainty of our resilience to climate change, improve the continuity of our business activities, and contribute to a sustainable society.

Within the Asahi Group Philosophy, the Asahi Group proclaims "Building value together with all our stakeholders" as one of Our Principles. We focus on co-creation with these stakeholders as we work to realize the Asahi Group Environmental Vision 2050. As we implement countermeasures, we will continue to co-create with our stakeholders and further strengthen our efforts throughout the value chain.

► Biodiversity



Management

Approach

Since the Earth came into being, it has given life over a long period of time to many different living things, including humans, which have survived due to their links with each other. The limitless bounty that is provided by this biodiversity (ecosystem) is what supports our lives and lifestyles.

For us to continue enjoying the bounty of biodiversity into the future, all of us who make up society must work together to protect biodiversity, and use this bounty in a sustainable manner so that it is not exhausted. As a part of society, businesses are also expected to take on important roles.

The Preservation of Biodiversity, which was adopted as a world treaty along with the Prevention of Global Warming at the Rio Earth Summit in 1992, is an essential theme for the preservation of the balance of our ecosystem on Earth. In order to fulfill our mission of “Deliver on our great taste promise and bring more fun to life,” which we declared in the AGP, the Asahi Group, which operates businesses using the gifts of nature, has a responsibility to pass on a global environment that can foster these gifts of nature to future generations, and will continue to practice business activities that show sensitivity to biodiversity.

Policies

The Asahi Group has put together philosophies and principles that will serve as the foundation of its biodiversity preservation activities. In March 2010, the Group formulated and announced the Declaration on Biodiversity as the first of its kind in the alcohol industry in Japan.

Asahi Group “Declaration on Biodiversity” Protect the Blessings of Nature

Each of Earth’s diverse living things has its own role—and all live together in balance, depending on one another. Each of the things we need for our daily lives—including clean air and water, or delicious food and drink—are the gifts of nature, provided to us by the diversity of life.

Because the business activities of the Asahi Group make use of the blessings of nature, such as water and grain, we respect the diversity of life and work to preserve nature’s bounty, nurturing it and passing it on to future generations.

Main Policies and Nine Action Guidelines under the Declaration on Biodiversity

1. Protect nature, which serves as the home of living things

1. Protect the rich rivers and seas where species live
2. Protect and nurture the rich forests where species live

3. Create rich environments around our factories for living things to flourish

2. Use the blessings of nature with care

1. Properly use the blessings of nature
2. Use the blessings of nature more effectively
3. Study the relationships within nature, and undertake research and development to make use of them well

3. Take action with people around the world

1. Share this Declaration throughout the Asahi Group and put in efforts with our employees
2. Make use of our products and services to clearly convey the importance of the blessings of nature
3. Take action globally and in cooperation with our business partners

Note: The “Declaration on Biodiversity” of the Asahi Group was formulated with reference to the Declaration on Biodiversity of the Nippon Keidanren (Japan Business Federation).

Governance

Related Information > Environmental Management

Risk Management

The Asahi Group recognizes the risks of harm to biodiversity making it difficult for the Group to continue its business operations and preventing the gifts of nature, which are formed amid interactions among various

► Biodiversity ► Management



species, from being handed on to the next generation. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by divisions such as the Sustainability Section of Asahi Group Holdings, Ltd., and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

As degradation of the natural environment continues, biodiversity is being lost at an unprecedented pace. Because we would be unable to continue our business without the gifts of nature, we aim to achieve Planet Positive, which will reduce the burden on the environment from our business to zero, and maximize value to the global environment through circularity. Recognizing the impact of our business operations on the environment and the need to practice business activities that show sensitivity to biodiversity, we undertake a range of initiatives. In international debates, too, where nature is recognized as an important environmental issue which must be considered in conjunction with climate change, the Asahi Group uses the Taskforce on Nature-related Financial Disclosures (TNFD)* framework to promote a unified approach connected to climate change and resource circulation.

*An international initiative to construct a framework for appropriately evaluating risks and opportunities around natural resources and biodiversity and disclosing the results. A beta framework is already available, with the final framework scheduled for release in September 2023.

Initiatives toward the TNFD Recommendations

In April 2022, the Asahi Group joined the TNFD Forum. After that, the Group began conducting analysis using the beta framework for managing and disclosing risks and opportunities involving nature.

By viewing risks and opportunities around not only biodiversity but also climate change and resource recycling from a multifaceted perspective and formulating measures accordingly, the Group will advance dialogue with investors and improve both the sustainability of society and its corporate value. Additionally, it will report its experiences conducting analysis under the TNFD beta framework to the TNFD, proactively participating in the construction of an international framework.

For more details on the Asahi Group's TNFD initiatives, see here [▶](#).

Metrics and Targets

As well as strengthening initiatives toward achieving targets around responding to climate change and sustainable packaging, both of which impact biodiversity, the Asahi Group is making progress on TNFD framework-based analysis, formulating measures in even more concrete detail, and exploring potential metrics and targets for conserving and restoring biodiversity. Its activities in these areas take into account perspectives on climate change, packaging, agricultural raw materials, and water resources, all of which are key issues in the Asahi Group Environmental Vision 2050.

Related SDGs



► Biodiversity



Activities

Evaluation of Risks for Agricultural Raw Materials

Regarding its agricultural raw materials, the Asahi Group evaluates the environmental risks related to farm products and the agricultural producing areas from the perspectives of (1) the impact of climate change, (2) the impact on water resources (water risk survey), and (3) impact on biodiversity.

Related Information > [Activities \(Sustainable Agricultural Raw Materials\)](#)

Conservation of the Biodiversity of Asahi Forest

The Asahi Group's Asahi Forest encompasses more than 2,000 ha and includes about a dozen large and small forests around Shobara City and Miyoshi City in Hiroshima Prefecture. The Asahi Group has defined three principles with the goal of facilitating compliance with the Declaration on Biodiversity and the 10 activities of its Basic Principles for the Conservation of Biodiversity. The principles and activities are guidelines for the Asahi Group's management of Asahi Forest. All of the mountains of Asahi Forest are designated by the Forest Act as headwaters conservation forests, and some of the forests are designated as beech forest nature conservation areas, a part of the Kannosekyo Prefectural Nature Park, or other designations.

In 2022, Asahi Group Holdings, Ltd. joined the 30 by

30 Alliance for Biodiversity, which was established as a voluntary alliance to effectively pursue various strategies within Japan toward the "30 by 30" target, which calls for 30% of both land and ocean area to be designated conservation areas internationally by 2030. The Group aims to continue pursuing Asahi Forest's certification as an "other effective area-based conservation measure" (OECM*) and contribute to achieving the 30 by 30 target. Additionally, under the Ministry of the Environment's experimental program to certify areas in which private corporations pursue initiatives to conserve biodiversity as "sites of coexistence with nature," Mount Konomura, one of the 15 mountains in Asahi Forest, was selected as suitable for certification.

*OECM: A geographically defined area other than a protected area that contributes to the conservation of biodiversity. An area where private corporations undertake initiatives to conserve biodiversity, or where management not aimed at conservation has the additional effect of contributing to the protection of the natural environment.

Efforts to Protect Endangered Species

Kompania Piwowarska SA, a subsidiary of Asahi Europe and International Ltd., is working through the beer brand *Żubr* to protect the Biebrza National Park habitat, which is home to numerous endangered species.

Żubr means "bison" in Polish. Through this brand, Kompania Piwowarska SA donates 10 million Polish zloty to various causes every year based on information from scientists and ecologists. Despite being the largest national park in Poland, Biebrza National Park was 40%

privately owned until, in 2021, the company bought back 250,000 m² of land, which enabled experts to take steps to properly protect the ecosystem. Together with the Biebrza National Park management group, Kompania Piwowarska SA established the *Żubr* Fund, which contributes to the protection of Poland's wildlife and natural environment through cooperation with government agencies, universities, research institutes, and NPOs.

► Biodiversity



Respond to TNFD Recommendations

Strategies

The Asahi Group understands that evaluating the impact of biodiversity-related risks and opportunities on its business and society and drafting appropriate measures in response are essential for creating a sustainable society and ensuring business continuity. As such, we are proceeding with analysis in accordance with the Taskforce on Nature-related Financial Disclosures (TNFD) beta framework regarding management and disclosure

of nature-related risks and opportunities.

Specifically, we have begun analysis based on the LEAP (Locate, Evaluate, Assess, Prepare) approach. This analysis focuses on the raw materials most essential to our business from the perspective of biodiversity-related links in the value chain, such as raw material production, manufacturing, logistics, and consumption regions.

In 2022, the first year of this initiative, we concentrated our efforts on Locate and Evaluate by identifying locations with a possible connection to the

Asahi Group and where biodiversity loss is a concern. At the same time, we identified the aspects of nature that are a vital part of our business, and evaluated deterioration trends for each. Based on these analyses, we began the Assess and Prepare steps of this approach, which involve assessing risks and opportunities based on scenario analysis and exploring countermeasures. We plan to flesh out these efforts in specific terms in the next year and beyond.

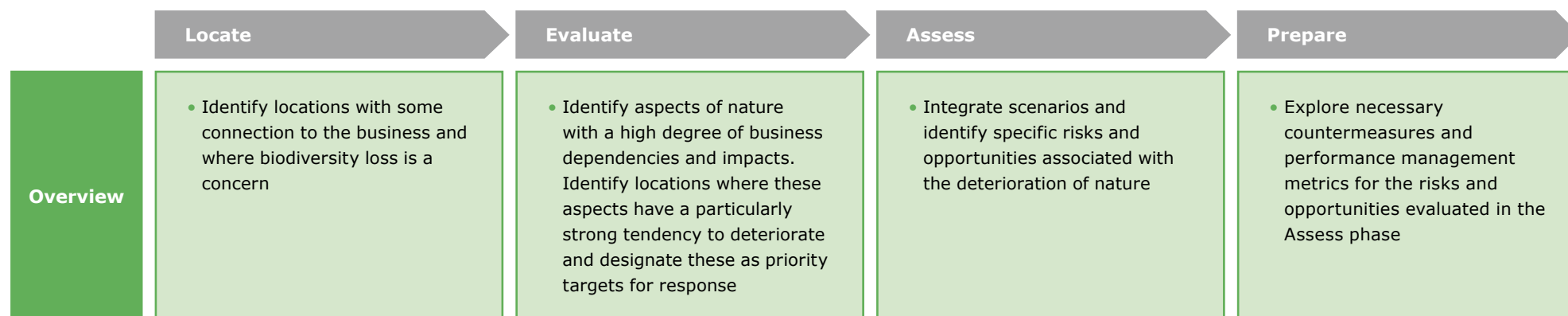
LEAP Overview

- LEAP analysis is a framework put forward by the TNFD for systematically evaluating business risks and opportunities arising from the deterioration of the natural environment. The recommended process has four steps: Locate, Evaluate, Assess, and Prepare.

- The LEAP analysis flow begins with Locate, which concentrates on target locations for evaluating possible deterioration in nature as well as business risks and opportunities. The second step, Evaluate, involves evaluating the state of the various aspects of nature upon which our business depends and impacts

in these locations.* Based on this evaluation, risks and opportunities that may arise in locations where natural deterioration is expected are captured by the third step, Assess. In the fourth and final step, Prepare, necessary countermeasures are considered.

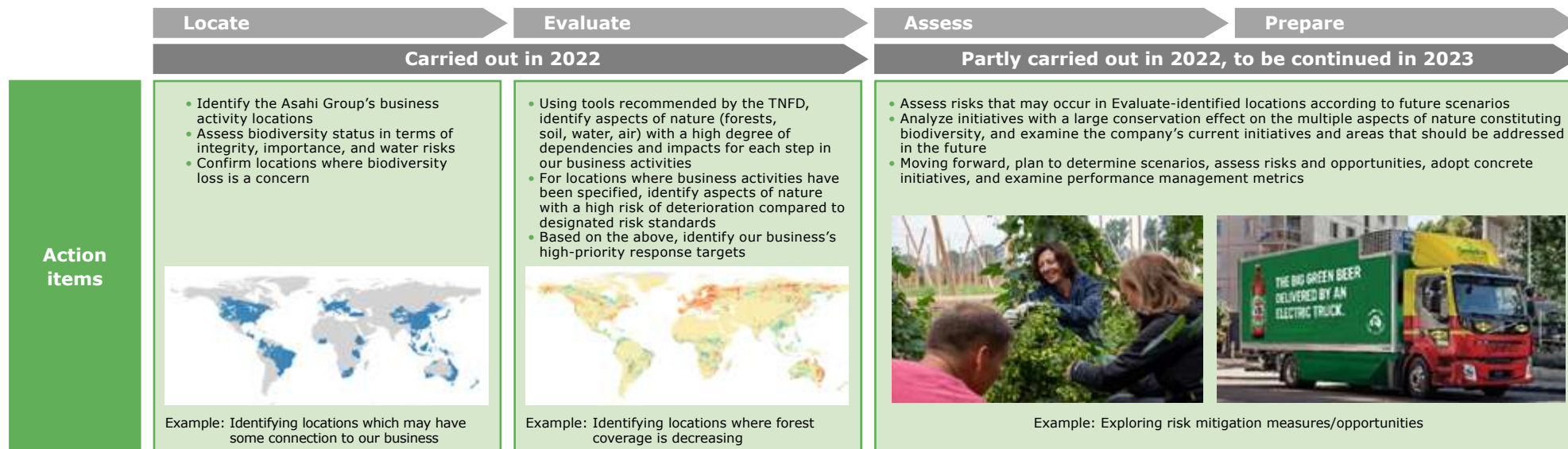
*Dependencies refer to the conditions by which our business utilizes the gifts of nature, while impacts refer to the dynamic whereby business activity outcomes cause changes in nature.



► Biodiversity ► Respond to TNFD Recommendations



2022 Initiative Overview



Action items

Selection of Analysis Targets

Our analysis targets were selected from across the value chain for all three of the Asahi Group's major business categories (Alcohol Beverages, Non-Alcohol Beverages, Food) in order to determine the risks and opportunities associated with biodiversity.

With respect to raw materials, which are upstream in the value chain, we selected the same raw materials as in our scenario analysis conducted in response to the TCFD recommendations. Specifically, because of

their procurement volume, procurement scale, and importance to business continuity, we selected barley, hops, and rice in the Alcohol Beverages Category; coffee, raw milk, and sugar in the Non-Alcohol Beverages Category; and palm oil, soybean, and cacao in the Food Category. We also included corn as an important raw material shared across all categories; water, a crucial ingredient for all categories; and plastic containers, which have a high potential impact on biodiversity, in our analysis targets.

Selected Raw Materials

Raw material analysis targets for each category

| | Alcohol Beverages Category | Non-Alcohol Beverages Category | Food Category |
|--------------------|----------------------------|--------------------------------|---------------|
| Barley | | | |
| Hops | | | |
| Rice | | | |
| Coffee | | | |
| Raw milk | | | |
| Sugar | | | |
| Palm oil | | | |
| Soybean | | | |
| Cacao | | | |
| Corn | | | |
| Raw water | | | |
| Plastic containers | | | |

Governance

Related Information > Governance (Biodiversity)

Risk Management

Related Information > Risk Management (Biodiversity)

Metrics and Targets

Related Information > Metrics and Targets (Biodiversity)

► **Biodiversity** ► **Respond to TNFD Recommendations**



Locate (Identifying Locations with Possible Connection to the Business and Where Biodiversity Loss Is a Concern)

First, in order to identify locations where the Asahi Group’s global supply chain has some connection to biodiversity, we narrowed down possible locations where the Group’s business activities (raw material production, manufacturing, logistics, and consumption) occur within a world map divided into cells of 0.5 degree × 0.5 degree latitude and longitude.

Next, we assigned biodiversity status from three perspectives (integrity, importance, and water stress) according to TNFD-recommended guidelines.

The results revealed high risks for North and South American agricultural areas in terms of integrity, high risks for equatorial regions in South America and Southeast Asia in terms of importance, and high risks for arid regions of Africa and Asia in terms of water stress.

Finally, by superimposing these maps, we identified the types of risks and their locations according to the

three perspectives listed on the next page for each of the Asahi Group’s raw materials and production processes. Based on this, we evaluated the scope of impact for all processes in order to understand the dependencies and impacts of our entire business.



Step 1

Narrow down areas with a possible connection to our business



Step 2

Assign biodiversity status in terms of integrity, importance, and water stress



Integrity



Importance



Water stress

Step 3

Identify risk types and locations for each of the Asahi Group’s raw materials and production processes by superimposing steps 1 and 2

Evaluated Risks for Key Raw Materials and Production Processes (Example)

| Barley | Hops | |
|---|--|---|
| | | <ul style="list-style-type: none"> ■ Integrity risk ■ Importance risk ■ Water risk |
| Integrity risk is high in the US and Australia. Water risk is high in Europe. | The major risk is integrity. Importance and water risks are also high in Europe and Australia. | |
| Manufacturing (In-house) | Logistics | Consumption Region |
| | | |
| Importance risk is low in major industrial areas. | Importance risk is low due to proximity to major cities. | Importance risk is low due to major cities in each country. |

► Biodiversity ► Respond to TNFD Recommendations



Perspectives for Evaluating Biodiversity Status

Integrity: An evaluation of ecosystem abundance. Ecosystems surrounding business sites are evaluated to determine whether they have been damaged by human or natural processes. Specific assessment metrics use degree of species loss (ratio of species remaining in the area).

Importance: An evaluation of conservation value. Locations of business sites are evaluated to determine whether they correspond to locations with a high biodiversity conservation value (presence of endangered species, size of protected area, etc.).

Water stress: An evaluation of the qualitative and quantitative soundness of water supply. The water supply for locations of business sites is evaluated to determine whether it has quantitatively or qualitatively worsened. This is a comprehensive evaluation based on factors including WRI-published runoff rate and water quality.

Evaluate (Identifying Important Aspects of Nature and Assessing Deterioration Trends)

In order to make a detailed assessment of the impact of biodiversity deterioration, we examined the locations with a high risk of biodiversity loss as confirmed in the Locate phase and assessed them from the following perspectives.

- The extent to which the Asahi Group's business activities depend on and impact the aspects of nature (forests, soil, water, air) which support biodiversity
- The level of risk to which each of these aspects of nature is exposed
- The extent to which waste material in post-manufacturing processes impacts the natural environment
- The scale of the Asahi Group's business activities in operational regions where natural deterioration is severe

Specifically, as Step 1, we used the TNFD-recommended tool ENCORE^{*1} to identify on a locational basis the extent to which business processes involving raw material production, manufacturing, logistics, and consumption depend on nature, as well as the extent to which these business processes impact nature. We predicted the state of these aspects of nature in 2030 based on the most recent development trends, and compared it with risk indicators defined in the planetary boundaries framework^{*2} to evaluate the state of deterioration.

Based on the results of Step 1, in Step 2, we specified the high-priority business processes and aspects of nature to be addressed in locations with large business dependencies and impacts and at high risk of deterioration. As shown in the figure below, based on these analyses a high-priority response was identified for forests, soil, and land with respect to business activities in raw material production areas for barley, hops, and corn. Similarly, addressing water, air, and waste materials was identified as a high priority in locations where post-manufacturing business activities are involved.

*1 A tool developed by the United Nations Environment Programme Finance Initiative (UNEP-FI) and others to assess dependencies and impacts on nature with respect to company production processes

*2 Indicators that present evaluation metrics for thresholds corresponding to each of the nine planetary boundaries: climate change, ocean acidification, stratospheric ozone depletion, nitrogen and phosphorus cycles, global freshwater use, change in land use, biodiversity loss, atmospheric aerosol loading, and chemical pollution

► **Biodiversity** ► **Respond to TNFD Recommendations**



Step 1

For each of our business processes involving raw material production, manufacturing, logistics, and consumption:

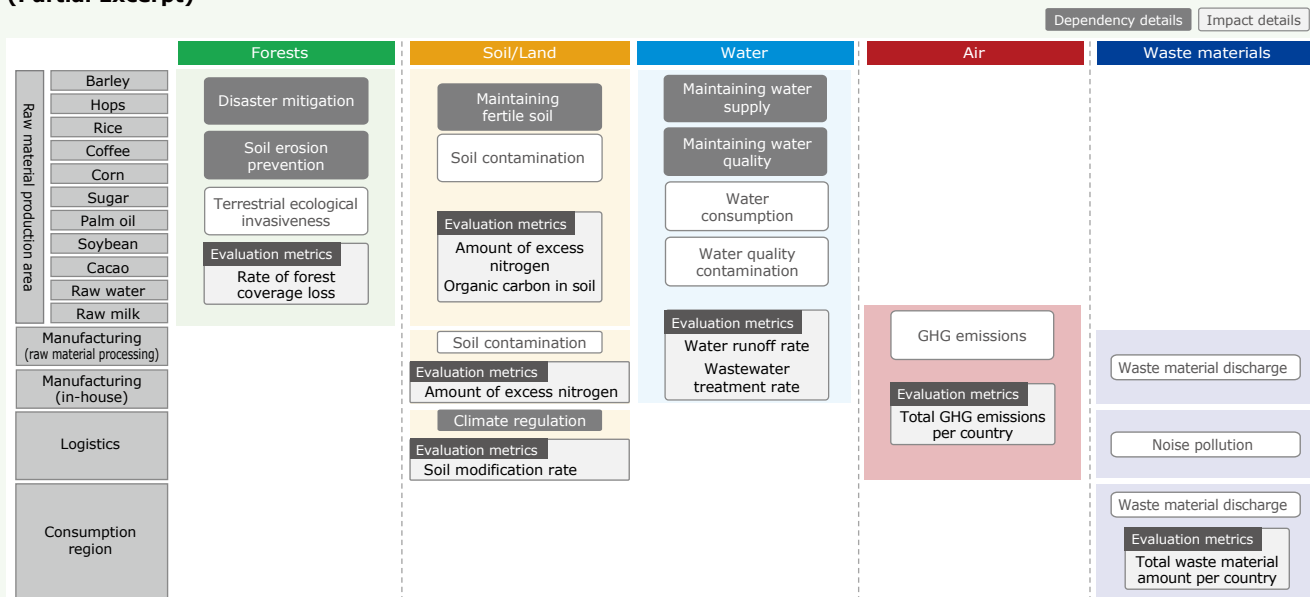
- (1) Identify degree of dependencies and impacts on nature
- (2) For specified aspect of nature, establish metrics to evaluate the state of deterioration around areas related to each process
- (3) Predict 2030 state of deterioration and evaluate in comparison with (2)

Step 2

- (1) For locations where the risk of deterioration to aspects of nature is high, examine the scale of business activities* supported by the locations
- (2) Identify high-priority business processes and aspects of nature according to the scale of business activities exposed to deterioration of aspects of nature

*Refers to scale of the business that would be lost due to the suspension of business activities at a given stage in the process. For example, in the case of barley, this refers to the scale of business activities that would be lost due to suspension of the production of barley as a raw material, with respect to the overall business scale of the Alcohol Beverages Category.

Details and Evaluation Metrics for Dependencies and Impacts on Nature for Each Process (Partial Excerpt)



High-Priority Business Processes and Aspects of Nature to Be Addressed

| | Forests | Soil/Land | Water | Air | Waste materials |
|------------------------------|---|-----------|-------|-----|-----------------|
| Raw material production area | Barley | +++ | +++ | + | - |
| | Hops | +++ | +++ | - | - |
| | Rice | +++ | + | + | - |
| | Coffee | + | + | + | - |
| | Corn | +++ | +++ | ++ | - |
| | Sugar | ++ | + | + | - |
| | Palm oil | + | + | + | - |
| | Soybean | + | + | + | - |
| | Cacao | + | + | + | - |
| | Raw water | - | - | ++ | - |
| | Raw milk | + | + | + | + |
| | Manufacturing (raw material processing) | - | +++ | +++ | +++ |
| Manufacturing (in-house) | - | ++ | +++ | +++ | +++ |
| Logistics | - | +++ | - | +++ | +++ |
| Consumption region | - | - | - | - | +++ |
| | +++ | ++ | + | - | - |

More + means that the scale of business activities is significant in regions with a high risk of environmental degradation. - marks indicate small scale or outside scope of assessment.

► Biodiversity ► Respond to TNFD Recommendations



Assess (Risk and Opportunity Assessment)/Prepare (Countermeasures)

With locations in which the Asahi Group's business activities depend on and impact aspects of nature at high risk identified in the Locate and Evaluate phases, in 2022, we moved forward with our analysis of a scenario in which both climate change measures and biodiversity measures have progressed. This analysis helped us to understand where we should direct our initiatives in the future. In 2023 and beyond, we plan to finalize scenarios and conduct further analysis of risks and opportunities, which will lead to the exploration of effective initiatives.

Raw Material Production

We have found that the production processes for raw materials such as barley and hops impacts forest and soil/land deterioration. In the Czech Republic, we are currently working with farmers and Microsoft Corporation to develop an app that will help reduce the amount of water used in hop cultivation. Moving forward, we will continue to consider amplifying and expanding measures such as cooperation with other companies and agricultural support utilizing advanced technology.



Verification of hop cultivation with a water conservation app in the Czech Republic

Manufacturing (In-house)

We have found that the manufacturing process has a large impact on water, air, and waste materials, and that the risk of deterioration to the natural environment is high. We are aiming to achieve carbon-negative status at Tosu Brewery, which is scheduled to begin operations in 2026, while at Bari Brewery in Italy we are promoting initiatives such as the installation of solar collectors. We will explore the possibilities of expanding these initiatives to other breweries.



Solar collectors at Bari Brewery in Italy

Logistics

We have found that the logistics process has a large impact on air and waste materials, and that the risk of deterioration to the natural environment is high. We are promoting initiatives such as the use of electric trucks to deliver our flagship beer brand *Victoria Bitter* in Australia while promoting joint distribution with competitors and other companies in Japan. Moving forward, we will continue to further encourage these types of logistics process initiatives and modal shifts.



Delivering products with electric trucks in Australia

Consumption

We have found that the consumption process carries a high risk of deterioration to the natural environment, particularly due to waste materials. To date, we have been promoting efforts to recycle resources such as selling unlabeled bottles in Japan. We also operate a joint venture that built and now operates a PET recycling plant in Albury, New South Wales with Pact, a packaging manufacturer, Cleanaway, a waste disposal company, and competitor Coca-Cola Europacific Partners. It is the largest PET recycling plant in Australia. Moving forward, we will continue promoting these initiatives and seek to expand them to other regions.



Australia's largest PET recycling plant begins operations in the state of New South Wales

► Sustainable Packaging Key Initiatives



Management

Approach

Packaging plays an important role in providing valuable products to our customers. In addition to maintaining quality, ensuring strength for transportation, and serving a communicative function through design and information display, packaging is expected to be convenient to use and to utilize sustainable raw materials and resources. At the same time, the inappropriate disposal of plastic packaging creates urgent social issues such as ocean pollution and impacts on ecosystems.

Within the field of packaging described in the Asahi Group Environmental Vision 2050, the Asahi Group describes a society free of packaging waste as what we would like the world to be like in 2050. In particular, we aim to achieve a world in which marine biodiversity is preserved by minimizing the use of resources to make packaging and helping to build a recycling-oriented society by reusing old packaging.

The Asahi Group anticipates restrictions on packaging that is not eco-friendly and an increase in demand for eco-friendly materials to have an impact on procurement and costs. In the event that a carbon tax is introduced, we estimate that the impact of fluctuating prices of PET bottles and other representative packaging will be 37.6 billion yen in 2030 and 72.8 billion yen in 2050. Additionally, while there is a risk of reduced sales due to consumers avoiding plastics, we can expand profits by actively using eco-friendly materials that meet the needs of customers who want to purchase eco-friendly products.

Using eco-friendly materials in our packaging leads to a reduction in the amount of fossil fuel-based raw materials and CO₂ emissions, and is also a way for us to help address climate change. Furthermore, we contribute to the long-term elimination of waste production and building a society where resources are conserved and recycled by being a part of the recycling value chain, introducing recycled materials, enhancing their quality, and striving to stabilize their supply and demand.

Policies

The Asahi Group has established Guidelines on Plastics to enable our employees to take specific actions in cooperation with our stakeholders. In addition, we have defined the following policy on Approach to Sustainable Containers/Packaging, including plastic packaging, as we promote the use of packaging that is friendly to the environment and society.

Guidelines on Plastics

The Asahi Group contributes to resource circulation by delivering its products to consumers utilizing the beneficial features of plastic containers/packaging and following guidelines in response to environmental issues brought about by plastics.

1. We actively promote a switchover to eco-friendly materials,*¹ without using fossil raw materials.
2. We reduce the usage of single-use plastics*² and consider developing alternative new materials and

new ways of selling, leading to waste reduction.

3. We drive the establishment of recycling systems in cooperation with governments and trade associations, and actively lead educational programs, sorting of waste collections, and clean-up activities.

*1 Eco-friendly materials: Recycled materials, biomass materials, and others

*2 Single-use plastics: Plastics that are disposed of after use and not reused

Approach to Sustainable Containers/ Packaging

We assess the impact that each material has on the environment throughout its lifecycle in order to create lighter and more recyclable containers and packaging and use more recycled or other environmentally responsible materials including biomass, thereby reducing our environmental impact.

Guidelines of Containers/Packaging Design

1. Ensure that each container/packaging is designed to preserve the quality of the product delivered to customers as well as to guarantee product safety and hygiene, and that it shows correct information.
2. Consider when customers buy and consume the product, and design each container/packaging to ensure it is safe and easy to handle.
3. Consider the ease of sorting and collection, disposability, and recyclability of each container/packaging after the product is consumed.
4. Work to create sustainable containers/packaging

► Sustainable Packaging ► Management



toward a circular economy.

5. Design each container/package to reduce environmental impacts through resource conservation, energy conservation, and reduction in greenhouse gases, among others, throughout the lifecycle from selling to recycling, while considering the economic efficiency, production suitability, and transport efficiency throughout the process from procurement and production to shipping.

Efforts to Create Sustainable Containers/Packaging

1. Reducing
 - Promote weight reduction of containers and packaging to reduce the amount of materials used
 - Simplify packaging and use appropriate packaging
2. Reusing
 - Make containers/package that can be reused as many times as possible
 - Design containers/package to reduce environmental impacts, including water and energy usage connected to reuse
3. Recycling
 - Adoption of recyclable materials for effective use
 - Use recycled and eco-friendly wherever possible
 - Aim to make sorting, separating, disposing of, collecting, and selecting each container/package easier after use

The “Reduce” of packaging involves making packaging lighter in weight to preserve resources, thus conserving resources and energy and reducing CO₂ emissions. “Reuse” here means repeatedly using returnable

bottles, kegs, and similar items. “Recycle” means reusing resources recovered from used containers such as aluminum cans and glass bottles to create other containers or products.

Governance

Related Information > Environmental Management

Risk Management

The Asahi Group recognizes the risks of improperly discarded packaging contributing to ocean plastic pollution and impacting ecosystems, which could make it difficult for the Group to continue its business operations and also have various negative impacts on society.

Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group anticipates regulations on non-eco-friendly packaging and effects on procurement and costs as a result of increased demand for eco-friendly

materials. While we recognize the importance of efforts to reduce these risks, we also believe that using eco-friendly materials in our packaging will lead to the establishment of a circular economy and the reduction of fossil resource use and CO₂ emissions.

For this reason, under the 3R (reduce, reuse, recycle) + Innovation target, we seek to use recycled PET and eco-friendly materials while also taking steps to reduce material usage and developing new, environmentally friendly packaging. In doing so, we are actively collaborating with industry groups and working on joint technology development with suppliers. At the same time, we are implementing initiatives which seek to transform consumer behavior regarding single-use packaging.

We will also work from the 3R perspective to conserve resources, reduce weight, and improve recyclability for our cans, bottles, kegs, paper, and other packaging materials.

Metrics and Targets

In packaging, with regard to the urgent problem of plastics in particular, the entire Asahi Group adopted the 3R + Innovation target. Based on this target, the companies of the Asahi Group set their own targets, such as the Asahi Soft Drinks Co., Ltd.’s “Container and Packaging 2030” initiative.

► Sustainable Packaging ► **Management**



Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|--|--|
| <ul style="list-style-type: none"> Realize 100% utilization of materials for plastic containers that can be used effectively by 2025^{*1} Achieve 100% conversion to eco-friendly materials for PET bottles by 2030^{*2} Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers | 12.4/12.5/14.1 |

Note: Targeted plastic containers: PET bottles, plastic bottles, caps used for PET and plastic bottles, certain plastic containers, and plastic cups (used for sales), etc.

*1 Effective use: Reusable, recyclable, compostable, thermal recyclable, etc. Target companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

*2 Eco-friendly materials: Recycled materials, biomass materials, etc. Target companies: Asahi Soft Drinks Co., Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|--|
| AGJ | <ul style="list-style-type: none"> Achieve sales target for unlabeled bottles (117% YOY increase in 2023)(Target: Asahi Soft Drinks Co., Ltd.) | 12.4/12.5/14.1 |
| AEI | <ul style="list-style-type: none"> By 2030, AEI will use only containers, as well as secondary packaging that is reusable or fully recyclable, and made chiefly from recycled content | |
| AEI | <ul style="list-style-type: none"> 25% plastics reduction in AEI by 2030 (compared with 2019 baseline) | |
| AHA | <ul style="list-style-type: none"> Increase the amount of recycled content used in our glass bottles and aluminum cans to on avg. majority (>50%) recycled content by 2030 | |
| AHSEA | <ul style="list-style-type: none"> Use recycled materials in 30% of PET bottles by 2025 | |

Related Information ► Progress on Material Issue Initiatives (in 2022)

Related SDGs



Related Information ► Activities (Sustainable Packaging)
 ► Initiatives toward the TCFD Recommendations

Performance

Glass Bottle Collection Rate

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------|--------|--------|-------|-------|
| Asahi Breweries, Ltd.: Returnable bottles | 101.2% | 100.1% | 106.2% | 98.8% | 98.0% |
| Asahi Soft Drinks Co., Ltd.: Returnable bottles | 99.0% | 98.6% | 103.0% | 94.1% | 94.0% |

Note: Collection rate: Number of bottles collected / Amount of products sold (kg) × 100

Related Information ► SASB Content Index

► Sustainable Packaging

Activities

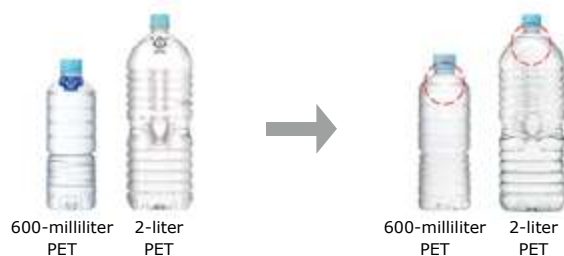
Packaging plays an important role in the provision of products. In addition to maintaining quality, ensuring strength for transportation, serving other functional purposes such as design, and acting as a means of communication for displaying information, packaging is also expected to be easily usable at the time of use, and utilizes sustainable raw materials and resources. Meanwhile, the inappropriate disposal of plastic packaging creates urgent social issues, such as ocean plastic pollution and impacts on ecosystems.

As a company that conducts business activities using the gifts of nature, the Asahi Group promotes the 3R (reduce, reuse, recycle) of packaging. To achieve this aim, we will work with industry associations for each packaging material and jointly develop technologies with suppliers.

Plastic Packaging

Reduce

Unlabeled Bottles: Reducing the Use of Sticker-type Labels to Achieve Completely Unlabeled Bottles



In May 2018, Asahi Soft Drinks Co., Ltd. launched unlabeled products which are sold by the box only. Currently, four categories and 17 items are sold in this way. Eliminating the use of labels on PET bottles has successfully reduced the amount of resin used to make labels by nearly 90%. This reduces the effort necessary to peel off labels when disposing of bottles and also reflects other convenience considerations. Furthermore, this activity has been praised for its contribution to solving the problem of marine plastics. Our unlabeled products were exhibited at the G20 Osaka Summit in 2019 as part of the Japanese government's publicity exhibition. In April 2021, *Todoku Tsuyosa no Nyusankin W* was added to the portfolio of Asahi's unlabeled products sold by the box only.

Also in April 2021, 585-milliliter PET bottles of *Asahi OISHII MIZU* with a simple eco-label went on sale in stores and some vending machines. A small tack sticker (simple eco-label) indicating the necessary information is affixed to one side of a bottle, instead of a roll label which was conventionally used for *Asahi OISHII MIZU*. This makes it possible to reduce the CO₂ emissions from labels by nearly 58% and to sell the bottled products individually. In November 2021, we launched completely unlabeled *Asahi JUROKUCHA* in limited quantities, utilizing laser marking technology that employs a laser to create minute dot patterns on the surface of PET bottles. This technology eliminates the need for small tack stickers and neck ringers to indicate the required information.

Moving forward, Asahi Soft Drinks Co., Ltd. will develop new unlabeled products and expand their sales channels.

Reducing the Weight of Plastic Bottles

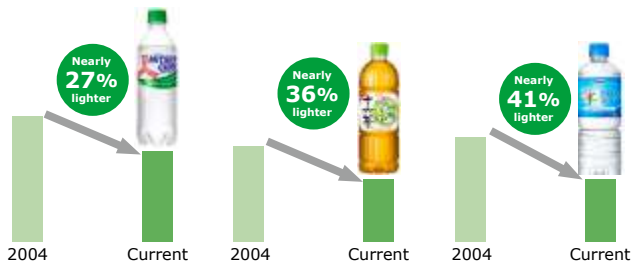
Asahi Soft Drinks Co., Ltd. reduced the weight of the plastic bottle for *Calpis*[®] (originally 34 grams per bottle) by two grams in 2019. This initiative has reduced annual plastic consumption by approximately 130 tons.



► Sustainable Packaging ► **Activities**



Making Lighter PET Soft Drink Bottles



Asahi Soft Drinks Co., Ltd. has also been reviewing the PET bottles for its regular items and reducing their weight. The weight reductions are compared to the weight in 2004, which is the base year.

Making Lighter PET Bottles of Alcohol Beverages

Asahi Breweries, Ltd. has developed a handled four-liter PET bottle which is the lightest of its kind in the industry.* Weight reduction was achieved through the computer-aided engineering technology of the Asahi Group. This technology uses a virtual prototype on a computer for simulation and analysis instead of the conventional verification and experimentation with a prototype and has the advantage of significantly reducing the cost and time required for prototyping and verification experiments. This weight reduction has resulted in a decrease of 31.5 grams of plastic resin per bottle, reducing the weight by approximately



22%. This is expected to reduce plastic usage by 37.8 tons per year and CO₂ emissions by approximately 90 tons per year. The material is used for the company's Japanese shochu, including *Kanoka*, *Daigoro*, and whisky, including *Black Nikka*.

*According to Asahi Breweries, Ltd. (as of September 2020)

Reducing Plastic Use in Food Containers

Asahi Group Foods, Ltd. will reduce the amount of plastic used in *MINTIA*, *Dear-Natura*, cup soup, and other products by making containers thinner and eliminating the attached spoons and lids. Starting in March 2023, *MINTIA* products will adopt thin-walled, lightweight containers that will be phased into use. Compared to conventional regular series containers, these new containers reduce plastic use by 11%. Once the transition has been completed, the combined regular and *Breeze* series packaging is expected to reduce plastic use by 170 tons annually.



Expanding Refillable Products

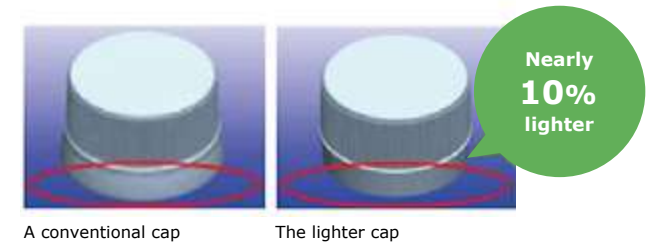
Asahi Group Foods, Ltd. has introduced refillable packages for some of its products, such as *Oshibori Wetty* and *Milufuwa*, to reduce waste and the amount of plastics used.



Making Lighter Caps for Carbonated Beverage PET Bottles

Since February 2018, the cap that Asahi Soft Drinks Co., Ltd. uses for its carbonated beverage PET bottles has been the lightest in Japan.* The cap, collaboratively developed with Nippon Closures Co., Ltd., has made PET bottle caps 7–10% lighter, reducing their weight from 3.25–3.35 grams to 3.03 grams.

*Survey by Asahi Soft Drinks Co., Ltd. (as of March 2022)



Use of Roll Labels on Beverage PET Bottles



In April 2020, Asahi Soft Drinks Co., Ltd. began using roll labels on some of its *MITSUYA CIDER* PET bottles to reduce label consumption per bottle by nearly 55%.

► Sustainable Packaging ► Activities



630- and 660-milliliter bottles of *Asahi JUROKUCHA* have also been partially roll-labeled from March 2022. This initiative reduced the per-bottle label usage by approximately 73%.

Move from PET to Returnable Bottles for Beer Bottles

The decision to stop using plastic (PET) bottles for beer came when Plzeňský Prazdroj, a.s. stopped using plastic packaging for beer at the end of 2021. This enabled us to save over 400 tons of plastic yearly. We did not change the decision to stop using plastic packaging for beer despite the fact that consumer interest in packaged beer was increasing. We also reduced the thickness of the plastic wrapping which holds beer packs together on pallets by a third. This means a saving of 78 tons of plastic yearly. Another step was stopping the use of plastic labels on *Pilsner Urquell* bottles. To package several cans together, we now use 100% recycled film. We continue to replace virgin plastic with recycled wherever possible.



Eliminating the Use of Plastics in Six-can Pack Rings and Shrinkable Films

CUB Pty Ltd, a company under the umbrella of Asahi Holdings (Australia) Pty Ltd., ended its use of plastic rings and shrinkable films for six-can packs of canned products in 2019. This action has led to an annual reduction of more than 30 million plastic rings and more than 248 tons of plastic shrinkable film in 2019.

Move to Cardboard for Cans: Four- and Six-pack "Top Clips"

In 2021, Asahi Europe and International Ltd. began the full replacement of plastic shrinkable film with corrugated cardboard "top-clip" packages for four- and six-can packs of the Dutch beer brand, *Grolsch*. By replacing the plastic packaging of all four- and six-packs in the Netherlands with cardboard top clips, 100,000 kilograms of plastic (equivalent to four million plastic bags) can be saved annually. This change is also expected to reduce CO₂ emissions produced by the manufacture of the packaging by 36% compared with conventional can foil.



Recycle

As a member of the Council for PET Bottle Recycling, the Asahi Group is working to achieve a recycling rate of over 85% (base year: 2004), as targeted in the Council's Voluntary 2025 Action Plan for 3R Promotion (fiscal 2021–fiscal 2025). We are making efforts toward sustainable packaging materials through such steps as promoting unlabeled bottles that make waste separation easy and using bottles made from recycled PET bottles since July 2019 for some of our lactic beverages including *CALPIS WATER*®.

Introduction of Bottles Made from Recycled PET

In July 2019, Asahi Soft Drinks Co., Ltd. began using recycled PET bottles for some of its lactic beverages such as *CALPIS WATER*®. Subsequently, the use of recycled PET bottles was expanded to the *MITSUYA* brand, *WILKINSON TANSAN*, and other carbonated beverages that require bottles that are resistant to pressure. In 2021, some *Asahi JUROKUCHA* bottles were redesigned to be recycled PET bottles.

In addition, 100% recycled PET resin from mechanical recycling has been used for some *WILKINSON TANSAN* 500-milliliter PET products, and a rollout began in February 2022.



Collaboration with Outside Companies to Circulate PET Bottle Resources

Since May 2022, Asahi Soft Drinks Co., Ltd. has been investing in and collaborating with "bottle-to-bottle"

▶ Sustainable Packaging ▶ Activities



recycler JEPLAN, INC. to recycle PET bottle resources by procuring chemically recycled PET resin. The company's goal is to achieve its Container & Packaging 2030 target (Japanese Only) of switching 100% of PET bottles to eco-friendly materials (recycled PET or biomass PET) by 2030. This initiative involves collecting used PET bottles from approximately 30,000 vending machines in the Greater Tokyo Area managed and operated by Asahi Soft Drink Sales Co., Ltd. and recycling them as chemically recycled PET resin at a plant operated by JEPLAN INC.'s subsidiary, PET Refine Technology Co., Ltd. By doing so, Asahi Soft Drinks Co., Ltd. is able to establish a recycling system where this recycled PET resin is reused in some of its larger bottles (*MITSUYA, Calpis*®, *Asahi JUROKUCHA, Asahi OISHII MIZU, and Bireley's*). In 2023, the company plans to steadily expand the collection area for used PET bottles from vending machines.

Establishing a Factory for Manufacturing Raw Materials into Recycled PET Bottles

Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia) Pty Ltd., is part of a joint venture that built and now operates a PET bottle recycling plant in Albury, New South Wales, with Pact, a packaging manufacturer, Cleanaway, a waste disposal company, and competitor Coca-Cola Europacific Partners. The new recycling plant was officially opened in March 2022 and has the capacity to turn used PET bottles into up to around 20,000 tons of recycled PET bottles annually. The joint venture is currently constructing a similar plant in the western suburbs of Melbourne, Victoria, that will also have the

capacity to create up to around 20,000 tons of recycled PET bottles each year, the equivalent of up to around one billion PET bottles.

Asahi Beverages Pty Ltd. has transitioned to bottles using 100% recycled PET (excluding cap and label) for its spring water brand *Cool Ridge*, and will continue to actively address the issue of plastic material as it aims to transition to 100% compostable, bio-based, or recycled materials for all its PET bottles by 2030.

Horizontal Recycling of PET Bottle Caps: Establishing a Consortium to Achieve "Cap-to-Cap"

In January 2023, Asahi Group Japan, Ltd., together with Sojitz Pla-Net Corporation and Nippon Closures Co., Ltd., began joint technology verification efforts as we work to achieve "cap-to-cap" horizontal recycling, where used PET bottle caps are reused in other PET bottle caps. Leveraging the respective strengths of each company, we will work to resolve social issues regarding plastic resource recycling.

Currently we have achieved a 94%*¹ collection rate for used PET bottles, and horizontal recycling is being promoted throughout the beverage industry. By contrast, little progress has been made when it comes to recognizing the state of cap recycling. For this reason, our task is to understand the current situation and establish methods regarding cap collection and recycling.

This consortium will create frameworks and verify technology for cap collection, establish product quality standards, and evaluate business feasibility. If horizontal recycling for caps is commercialized, the initiative is expected

to be a beverage industry first.*² Asahi Soft Drinks Co., Ltd. is considering adopting new caps for its products.

*1 Source: The Council for PET Bottle Recycling (Japanese only)

*2 Survey by Sojitz Pla-Net Corporation

Upcycle

■ "Tsugaru Vidro Upcycle B Tumbler" Development

Asahi You. Us, Ltd. worked with Hokuyo Glass Co., Ltd. in Aomori Prefecture to upcycle* beer mugs marked for disposal into handcrafted drinking glasses called Tsugaru Vidro Upcycle B Tumblers.

While working to eliminate waste and reduce environmental impact, this initiative contributes to the revitalization of local industries by taking advantage of traditional craft techniques to market value-added products. In the future we seek to horizontally expand glass tableware upcycling technology to other regions.

*The act of adding new value to and repurposing a product that would normally be discarded



► Sustainable Packaging ► Activities



■ Eco-friendly Materials

Encouraging the Use of Plant-Derived Materials in Packaging

Asahi Soft Drinks Co., Ltd. produced a limited quantity of 1.5-liter PET bottles for *MITSUYA CIDER* employing plant-derived materials between 2015 and 2020. In 2020, the company used plant-derived raw materials in 30% of its PET bottles and caps and employed plant-derived inks, which achieve a greater reduction in negative environmental consequences than those associated with the use of conventional, petroleum-derived ink to print labels. In 2021, some of the PET bottles used for *Asahi OISHII MIZU*, *Asahi JUROKUCHA*, and *MITSUYA CIDER* were fabricated from biomass materials.



Plastic Bottles Made Partly from Plant-derived Bio-Polyethylene

Plant-derived bio-polyethylene comprises 10% of the raw materials used in the plastic *Calpis*® bottles available from Asahi Soft Drinks Co., Ltd. Manufacturing the caps, bottles, and labels from the same material eliminates the need to peel off labels and remove caps when sorting waste. It is also ideal for recycling.



Calpis® 470-milliliter
"Peace Bottle"

■ Avoiding the Use of Disposable Plastic Containers for Products

Development of "Tumbler in the Forest" Reusable Cup



Asahi Breweries, Ltd. and Panasonic Corporation have collaboratively developed Tumbler in the Forest, a non-disposable reusable cup, with the goal of changing the "disposable" consumption behavior of its customers. The tumbler, which was launched in 2019, uses molded high-density cellulose fiber* primarily fabricated from refined pulp derived from timber extracted during forest thinning. To date, Asahi Breweries, Ltd. has collaborated with government agencies, universities, and organizations focused on solving environmental issues to contribute to activities such as reducing disposable plastic waste by promoting the use of Tumbler in the Forest and developing original tumblers using local surplus products.

*Resin containing nano- to microscale pulp components developed by Panasonic Corporation

Development of "Mogu-cup" Edible Beverage Container

Mogu-cup was jointly developed by Asahi Breweries, Ltd. and Marushige Seika Co., Ltd. and launched in 2021 as a proposal for shifting people's habits from using disposable containers to using edible containers. Mogu-cup is a beverage container made from potato starch grown in Japan. By heating and solidifying the raw material at a high temperature and high pressure, the edible container becomes more resistant to water, preventing it from leaking the liquid it contains. The container is seasoned so that consumers are able to enjoy the combination of the beverage and the flavor of the edible container.



► Sustainable Packaging ► Activities



Other Packaging (Cans, Bottles and Kegs, and Paper)

The Asahi Group engages in activities to ensure its packaging is more sustainable. Specifically, it strives to conserve resources, use lightweight products, and improve the recyclability of its products from the 3R perspective, including cans, glass bottles, caps, labels, cardboard boxes, and other packaging materials.

■ Cans

Reduce

The Asahi Group works to reduce the weight of its beer and coffee cans to minimize the resources it uses while maintaining usability for customers.

■ Test Deployment of 202-diameter Aluminum Can Lid



Asahi Breweries, Ltd. and Toyo Seikan Kaisha, Ltd. have jointly developed a 202-diameter aluminum can lid, the lightest produced can lid in Japan (according to Asahi Breweries, Ltd.). Compared to conventional 204-diameter aluminum can lids, the diameter of the can lid has been reduced by approximately three millimeters while maintaining the quality and strength of the can. As a

result, the amount of aluminum used per can lid has been reduced to 2.5 grams, approximately 20% less than conventional can lids, making the can lid the lightest in Japan. In 2021 we conducted trial manufacturing and trial sales within Hokkaido Prefecture.

■ Making Lighter Weight Steel Cans



In 2019, Asahi Soft Drinks Co., Ltd. introduced five-bead cans for *WONDA Black* 185 grams, *WONDA Special Café Au Lait* 185 grams, and other canned products. Adding five beads to the can's body makes it thinner and helps reduce the use of steel by nearly 13.5% when compared to the conventional 28.1-gram can.

In 2022, we reduced steel consumption by approximately 17.8% for an approximate annual reduction of 860 tons by changing the shape of the *WONDA Morning Shot* 185-gram can from the conventional straight type to an embossed type.

Recycle

The Asahi Group is working to achieve a recycling rate of 92% for aluminum cans and a recycling rate of 90% for steel cans (base year: 2004), as targeted

in the Voluntary Action Plan 2025 for 3R Promotion (fiscal 2021–fiscal 2025) of the Japan Aluminum Can Recycling Association and the Japan Steel Can Recycling Association. In addition to supporting the collection of used aluminum and steel cans, we collect and recycle both aluminum and steel cans that had to be disposed of as waste at our breweries and soft drink factories.

Reducing Our Carbon Footprint through Can Recycling in Slovakia

At the beginning of 2022, a newly introduced deposit return scheme in Slovakia began to offer beverage producers including Plzeňský Prazdroj Slovensko, a.s., part of Asahi Europe and International Ltd., the opportunity to purchase collected cans to recycle them and make them into new ones. It is the first scheme of its kind in Europe allowing producers this option. Today, we are proud to be part of this scheme, which allows us to close the lifecycle of our cans. From 2023, we will increase the share of recycled content in the body of our cans to 75% across our full portfolio.

The higher content of recycled aluminum also means that the carbon footprint of cans will be reduced by 39% per year. As part of the process testing, Plzeňský Prazdroj Slovensko, a.s. has already recycled the first 200 tons of collected material into new cans this year. Increasing the share of recycled material in our products also means we will be able to reduce our total carbon footprint in Slovakia by 6,700 tons next year.

In Slovakia, the company's strategic goals are for all consumer product packaging to be reusable or recyclable by 2030, with packaging containing at least 50% recycled

► Sustainable Packaging ► Activities



material. This is a goal that we will meet in 2024—six years earlier than initially planned.



■ Glass Bottles and Kegs

Reduce

■ Making Lighter Returnable Beer Glass Bottles

In 2014, Asahi Breweries, Ltd. introduced 500 milliliter scrape-resistant, medium-sized bottles, used commonly by three beer companies, Asahi Breweries, Ltd., Sapporo Breweries Ltd., and Suntory Holdings Ltd., with the goals of improving container quality and reducing environmental impacts. The manufacturing and delivery of products entails the scraping of the sides or labels of products. Recessing the body of a bottle by 0.2 to 0.3 millimeters limited scrapes to a smaller area of the bottle's surface and protected labels, leading to the improvement of container quality and a 10-gram weight reduction per bottle.

Reuse

Many returnable containers such as glass bottles and kegs are used for beer and soft drinks for liquor stores and restaurants. The Asahi Group has its own systems for collecting and washing these containers before repeatedly reusing them.

In 2022, Asahi Breweries, Ltd. collected and reused 209 million containers in total, and Asahi Soft Drinks Co., Ltd. collected and reused 95 million containers in total.

Recycle

The Asahi Group is a member of the Glass Bottle 3R Promotion Association and is working to recycle used glass bottles. We are aiming for 100% collection of returnable glass bottles, while also collecting bottles that have reached the end of their useful life from breweries and soft drink factories to be processed into cullet for use as raw material for glass bottles and other items.

Related Information [Glass Bottle Collection Rate](#)

■ Paper Packaging

Reduce

■ Test Deployment of Paper Materials with Only Top of Can Fixed



In May 2022, Asahi Breweries, Ltd. conducted a second round of trial sales of *Asahi Super Dry Eco Packs* at some of its stores using a new material that significantly reduces the amount of paper used. The new material takes the form of a paper construct that fixes only the top of the can. It has been deployed for the first time in Japan (according to Asahi Breweries, Ltd.) as a six-pack can container. By adopting these packs, the paper area can be reduced by 77% for a 350-milliliter six-can pack and 81% for a 500-milliliter six-can pack compared to the six-can pack materials used in the past. The weight of paper used can be reduced by 65% for a 350-milliliter six-can pack and by 73% for a 500-milliliter six-can pack. If all six-can packs manufactured by Asahi Breweries, Ltd. are switched to this material, annual paper consumption will be reduced by approximately 8,800 tons, and CO₂ emissions from material production will be reduced by 7,400 tons. Based on the verification results, we are planning to begin full-scale deployment in 2023.

■ Cardboard That Can Be Displayed Directly

In 2018, Asahi Group Foods, Ltd. discontinued the use of display carton packages for the *Uchino Omiso-shiru* (My Home Miso Soup) and *Kyono Soup* (Soup Days) series and instead began to use corrugated cartons that can be placed in stores. Since this change, the packaging materials necessary for delivery occupy an area one-third of that previously required. Further, the loading capacity of a pallet has been increased by 80% and CO₂ emissions associated with the transportation of pallets have been reduced by 44%.

▶ Sustainable Packaging ▶ Activities



Recycle

■ Cartocans, Aluminum-free Containers

Asahi Group Foods, Ltd. uses Cartocans in its mail-order services. To improve their suitability for recycling, Cartocans are made with materials that can be stored at normal temperatures without the need to use aluminum. Cartocans are made from paper, which is made from pulp and can thus be recycled into cartons.

Eco-friendly Materials

■ Containers That Use Wood from Forest Thinning

For some of its products, Asahi Group Foods, Ltd. uses paper containers called Cartocans, which have acquired Kanbatsuzai Mark certification from the National Federation of Forest Owners' Co-operative Association. This certification is granted to products with a Japanese wood content of 30% or higher that includes at least 10% Japanese wood from forest thinning.

Display of Information on Environmentally Friendly Products

In March 2022, Asahi Group Foods, Ltd. began displaying its own eco-friendly mark, which takes into account the characteristics of the product, in order to make it easier for customers to understand that the product is environmentally friendly. *Dear-Natura* brand bottles that use less plastic will be labeled with the "Eco-friendly by Reducing CO₂ Emissions" mark, and we will gradually display the eco-friendly mark on more products that meet our internal standards.

<Eco-Friendly by Reducing CO₂ Emissions>

- Contribute to CO₂ emissions reduction by changing the packaging materials, making them thinner, or using simplified packaging to reduce the amount of plastic used.
- Contribute to CO₂ emissions reduction by switching from oil-based to water-based ink to reduce the use of petroleum as a raw material.

<Eco-Friendly by Conserving Forests>

- Contribute to forest and environment conservation by using FSC-certified paper.

<Eco-Friendly by Using Biomass Materials>

- Contribute to environment conservation by using biomass materials, paper, and other naturally derived materials for packaging.



Communication with Industry Bodies and Society

Cooperation with Organizations in the Container Recycling Industry

Asahi Breweries, Ltd. and Asahi Soft Drinks Co., Ltd. are making efforts to engage in smooth communication with industry bodies, focusing on the Brewers Association of Japan and the Japan Soft Drink Association, and also including the Glass Bottle 3R Promotion Association, Japan Aluminum Can Recycling Association, The Council for PET Bottle Recycling, and The Beverage Industry Environment Beautification Association.

Each of these eight organizations focused on recycling or packaging, including the trade organization that the Group joined in April 2006, has numerical targets and activity goals. They strive to practice the 3R in accordance with the fourth voluntary action plan for encouraging business operators to pursue the 3R. This plan sets 2025 as its target year.

► Sustainable Packaging ► Activities



Cooperation in Environmental Study Classes



MITSUYA CIDER Classroom for the Future of Water and the Environment (SDGs School for Children)



Environmental class at an elementary school in Shizuoka City



At EcoPro2022

Through the *MITSUYA CIDER* Classroom for the Future of Water and the Environment (SDGs School for Children), Asahi Soft Drinks Co., Ltd. provides on-site lectures given by employees, who consider water and the environment from a global perspective. From June to December 2022, the company conducted lectures aimed at elementary grades four through six at 26 schools in Japan. The company developed these classes so that students can consider the importance of water, as well as what we can do on an individual level for the future of the global environment.

The company also held environmental classes regarding the 3R and PET bottle recycling at four elementary, middle, and high schools in Shizuoka City. Additionally, they conducted environmental classes under the theme of ecology, which targeted elementary and middle school students as part of EcoPro2022. The latter event took place over two days with over 100 attendees in total. By the end of the class, the participating students had created a rainbow of ideas for making outdoor garbage-sorting fun.

Taking Action to Prevent the Littering of Empty Containers

The Asahi Group engages in many different activities to prevent the littering of empty containers to facilitate environmental beautification and the efficient use of resources.

Placing Recycling Boxes for Vending Machines

Asahi Soft Drinks Co., Ltd. promotes the installation of one empty container collection and recycling box per vending machine. The unified beautification mark (The Beverage Industry Environment Beautification Association) is posted on vending machines to prevent littering and raise awareness of the importance of recycling.

► Sustainable Packaging ► Activities



Cleaning

As one of its staff volunteer activities, the Asahi Group takes part in clean-up events around the country organized by local governments and NPOs.

Activities at Asahi Europe and International Ltd.

Aware of its importance, Asahi Europe and International Ltd. engages in many different activities to reduce waste and reuse and recycle packaging materials.

In 2022, Koninklijke Grolsch N.V. participated in the 20th National Clean-Up Day organized by Nederland Schoon. As a partner of this foundation, Koninklijke Grolsch N.V. supports Nederland Schoon's commitment to achieving a 100% waste-free society. Numerous employees attended the 20th National Clean-Up Day and collected 30 bags of trash. On Earth Day, April 22, 2022, Asahi Europe and International Ltd. employees conducted clean-up activities in multiple operational regions around the world.



20th National Clean-Up Day activities in the Netherlands



Earth Day clean-up in London



Earth Day clean-up in Gotland, Sweden

Related Information > [Common Global Community Support Activities](#)

Activities at Asahi Holdings (Australia) Pty Ltd.

Phoenix Organics, one of our New Zealand beverage brands, has supported the beach clean-up and forestation activities of Sustainable Coastlines, a charitable organization based on the coast of New Zealand, since 2014. In 2022, the brand renewed its gold sponsorship of Sustainable Coastlines for three years, and about 40 employees participated in a beach clean-up event in Auckland.

Prior to visiting the beach, the New Zealand employees participated in a joint environmental learning session with Sustainable Coastlines on using and sourcing water sustainably. This initiative came about in response to employee demand and reflects the Asahi Engagement Survey results, which have sustainability as a top three issue of importance to employees.



► Sustainable Agricultural Raw Materials Initiatives



Management

Approach

Given that our corporate operations enjoy the gifts from nature, the stable procurement of ingredients is essential for the Asahi Group's businesses. At the same time, environmental risks such as those stemming from climate change may greatly affect the yield or quality of agricultural raw materials. It is vital to give consideration to ecosystems, the environments of agricultural production areas, and the human rights of local communities. In this situation, the Asahi Group faces the need to identify other places from which the Group would be able to procure its agricultural raw materials, including grains and fruits. It is also possible that the Group may be pressed to secure alternatives to its grains and fruits.

We are anticipating a risk of increased procurement costs due to reduced agricultural yields as a consequence of climate change. We are also estimating the future impact on yields of major raw materials for each of our businesses along with the financial impact for the Asahi Group as a whole. Under a scenario in which the average global temperature rises by 4°C by the end of the 21st century, we have identified the possibility of cost increases of 2.6 billion yen for coffee and 1.9 billion yen for corn. Addressing the environmental risks that may greatly affect the yield or quality of agricultural raw materials by promoting the sustainable procurement of raw materials enables us to not only mitigate the environmental impact of our business activities, but also contribute to achieving sustainable agriculture in regions where raw materials are sourced.

The Asahi Group will build, for future generations, a mechanism to secure its agricultural raw materials without allowing them to be depleted. In this way, the Asahi Group pursues sustainable agricultural raw materials to ensure that it is possible to preserve the valuable gifts of nature for future generations.

Policies

Based on the [Asahi Group Sustainable Procurement Principles](#) and in cooperation with suppliers, the Asahi Group seeks supplier compliance with the [Asahi Group Supplier Code of Conduct](#) and is committed to procurement activities that are friendly to the global environment and local communities.

Governance

[Related Information](#) > [Environmental Management](#)

Risk Management

The Asahi Group recognizes the risks of climate change and other environmental impacts having a significant effect on the yield and quality of agricultural raw materials harvested, which could make it difficult for the Group to continue its business operations and prevent future generations from enjoying agricultural produce as vital gifts from nature.

Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

Abnormal weather conditions caused by climate change, such as heat waves and heavy rain, may greatly affect the yield or quality of agricultural raw materials. This could make it necessary for the Asahi Group to find new suppliers of agricultural raw materials such as grains and fruits, or find alternatives to these materials altogether. In order for the Group to continue its business activities, stable procurement of these raw materials while addressing these risks is essential. Furthermore, to maintain the environment of raw material production areas, consideration must be given to local ecosystems and human rights issues while also revitalizing regional production communities.

For this reason, the Asahi Group assesses environmental risks such as climate change, water risks, and biodiversity, as well as human rights risks in local communities and farms. We then examine the current risk profiles of our suppliers and take measures to address the ones which have become apparent. At the same time, we support efforts to resolve issues in regional production communities, particularly those involving agriculture.

► Sustainable Agricultural Raw Materials ► Management



Metrics and Targets

The Asahi Group seeks cooperation with suppliers and their compliance with the Asahi Group Supplier Code of Conduct.

Regarding the farm products it procures and the places of production they come from, the Asahi Group pursues the elimination of environmental risks and human rights risks in its procurement of agricultural raw materials.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|--|
| AGJ | <ul style="list-style-type: none"> Achieve 1,900 tons purchase of RSPO-certified palm oil in 2023 (Book and Claim certification system) (50% of total expected purchases) | 2.4/12.2 |

Related Information > [Progress on Material Issue Initiatives \(in 2022\)](#)

Related SDGs





- Related Information > [Realize Sustainable Supply Chains](#)
- > [Sustainable Water Resources](#)
 - > [Initiatives toward the TCFD Recommendations](#)
 - > [Respect for Human Rights](#)

► Sustainable Agricultural Raw Materials

Activities

Outline of Activities

The Asahi Group pursues sustainable agricultural raw materials that are friendly to the global environment and local communities.

Toward the goal of achieving a sustainable supply chain, the Asahi Group's procurement activities are carried out based on the  Asahi Group Sustainable Procurement Principles. At the same time, we seek supplier compliance with the  Asahi Group Supplier Code of Conduct.

The Asahi Group specifies the important agricultural raw materials in each of its business categories and has assessed the risks surrounding them in terms of farm products and the environmental and human rights risks relating to the products' places of origin. The Asahi Group verifies information about the production sites associated with assessed risks and takes appropriate actions to address these risks.

Agricultural Raw Materials (Important Raw Materials)

Alcohol Beverages Category

The Asahi Group has defined barley, corn, hops, and rice as important raw materials, as they are the main raw materials for *Asahi Super Dry*, the flagship brand of the Asahi Group, and has researched the places where it procures raw materials and the places where the raw materials are made, including nearly 150 regions around the world.

Non-Alcohol Beverages Category

Based on the size and range of our procurement of agricultural raw materials in the Non-Alcohol Beverages Category, the Asahi Group has defined coffee, sugar (both sugarcane and sugar beet), corn, raw milk, skim milk, and whole milk powder as important raw materials and has researched the places where it procures raw materials from and the places where these raw materials are made, including nearly 100 regions around the world.

Food Category

From the perspective of business continuity in the Food Category, the Asahi Group has surveyed raw material suppliers and production sites in approximately 30 regions around the world, with oil palm, soybean, cacao, corn, and raw milk as important raw materials.

The Asahi Group Conducts Research Regarding the Important Agricultural Raw Materials of Its Alcohol Beverages, Non-Alcohol Beverages, and Food Categories in the Following Areas:

| | |
|--------------------------------|---|
| Alcohol Beverages Category | Czech Republic, France, Germany, Poland, UK, Denmark, Hungary, USA, Romania, Italy, Slovakia, Austria, Slovenia, Bulgaria, Australia, New Zealand, Netherlands, Canada, Brazil, South Africa, China, Korea, Japan, Turkey |
| Non-Alcohol Beverages Category | Indonesia, Ethiopia, Guatemala, Colombia, Tanzania, Nicaragua, Brazil, Vietnam, Thailand, Australia, Japan, USA, New Zealand, Germany, France |
| Food Category | Malaysia, Indonesia, Philippines, USA, Canada, China, Japan, Ghana, Cote d'Ivoire, New Zealand, Netherlands |

Assessment of Risks for Agricultural Raw Materials

Regarding agricultural raw materials, the Asahi Group has assessed the environmental and human rights risks surrounding farm products and their places of origin.

Environmental Risks

The Asahi Group has divided its actions regarding these risks into three categories: (1) the evaluation of the impact of climate change through scenario analyses required by the TCFD recommendations, (2) water risk surveys evaluating impact on water resources essential for the growth of farm products, and (3) the evaluation of the impact of continuous agricultural production activities on biodiversity.

(1) Impact of Climate Change

Based on an array of materials, the Asahi Group estimates the change in the yields of its agricultural raw materials, considering a range of factors such as the rise in the average temperature (2°C and 4°C scenarios), changes in precipitation patterns, and the intensification of weather abnormalities.

Result of Evaluation

- **Alcohol Beverages:** The Asahi Group identified the possibility that climate change could significantly affect the agricultural raw materials that are important to its alcohol beverages business. The Asahi Group found that the drop in the yields of

► Sustainable Agricultural Raw Materials ► Activities



barley and corn, two agricultural raw materials, was larger in the 4°C scenario than in the 2°C scenario.

- **Non-Alcohol Beverages:** The Asahi Group identified the possibility that climate change could significantly affect its non-alcohol beverages. In the 2°C scenario, the yields of coffee and corn, two agricultural raw materials, could drop greatly in some places. It was also learned that the drop in agricultural raw materials yields was larger in the 4°C scenario than in the 2°C scenario.
- **Food:** The Asahi Group identified that the impact of climate change on agricultural raw materials, which are important to our business, is not significant. Palm oil yields were found to be on a declining trend in the future, cacao yields on an increasing trend, and soybean yields on an increasing trend depending on the region.

Related Information ► Initiatives toward the TCFD Recommendations

(2) Impact on Water Resources (Water Risk Surveys)

The Asahi Group conducts water risk surveys because water is its most basic raw material and is also necessary for the growth of farm products.

In places where farm products are grown, the Asahi Group assesses risks relating to the quantity of water (water stress, seasonal variation, the lowering of groundwater levels, and other risks that may increase the difficulty of securing the water necessary to grow farm products), natural disaster risks (floods and

droughts), and regulatory risks (risks of developing a reputation that may deeply impact the society, culture, or human rights of people living in the river basin).

The amount of water consumed in the production of farm products is calculated on the basis of water footprint and the quantities of farm products procured by region and by raw material.

Result of Evaluation

- **Alcohol Beverages:** The barley-growing river basins in Europe may face flood risks. There may be latent regulatory risks in the corn-growing river basins of North America.
- **Non-Alcohol Beverages:** The coffee-growing river basins in South America may face flood risks. There may be drought-related regulatory risks in Oceania where sugarcane is grown.
- **Food:** The soybean-growing river basins in North America have potential for future water stress. There may be drought risks in the European river regions where corn is grown.

The Asahi Group verified information about local agricultural production areas and suppliers that are likely to suffer from water risks by considering the water resources and environments in these areas, confirming that suppliers are both considering irrigation equipment and flood control measures according to their respective areas' unique characteristics and reviewing research into plant variety improvements.

Related Information ► Assessment and Elimination of Water Risks

(3) Impact on Biodiversity

The Asahi Group evaluated the impact of continuous agricultural production activities on ecosystems, including the use of agrochemicals and fertilizers, and the impacts that animal excrement and other consequences of stockbreeding place on the natural environment.

Based on biodiversity hotspot data and other data, the Asahi Group also surveyed the biodiversity (the abundance of birds, mammals, and amphibians and the status of endangered species in a habitat) of the sites of its agricultural raw materials surveys.

Result of Evaluation

- **Alcohol Beverages:** The consideration of biodiversity in relation to the environmental impacts of agricultural production areas is necessary in the barley- and hop-growing river basins in Europe and in the corn-growing lake areas in North America.
- **Non-Alcohol Beverages:** The consideration of biodiversity in relation to the environmental impacts of agricultural production areas is necessary in the coffee-growing river basins of South America and in the northern Japanese river basins where skim milk and whole milk powder are produced when they are forest biospheres rich in nature.
- **Food:** The consideration of biodiversity in relation to the environmental impacts of agricultural production areas is necessary in the corn-growing river basins of Europe, in Southeast Asia where oil palm is produced, and in West Africa where cacao is produced.

► Sustainable Agricultural Raw Materials ► Activities



The Asahi Group shared information about the environmental risks faced by our suppliers as we verified information about the raw materials' places of origin and their surrounding areas in terms of, for example, the richness of their biodiversity.

Human Rights Risks

The Asahi Group continues to monitor its suppliers' actions regarding labor and human rights from the perspectives of the environment and human rights in local communities and farms.

Findings

- The Asahi Group conducted desk research on the risk of modern slavery in connection with the main raw materials that the Group procures. Coffee beans in Ethiopia and Tanzania in 2021 and sugarcane in Brazil in 2022 were the raw materials identified and assessed through desk research and interviews as having high human rights risks.
- The Asahi Group asks all primary, longstanding raw material suppliers of our operating companies, both inside and outside of Japan, to answer the Supplier CSR Questionnaire. We strive to overcome deficiencies based on an understanding of each company's strengths and weaknesses by providing feedback to respondents including average scores, differences, and rankings among respondent companies. Furthermore, we conduct on-site surveys based on the aggregated results of this questionnaire. This enables us to offer examples

of initiatives at other companies and other advice that lead to meaningful improvement. We also hold discussions about additional ways to promote and improve ESG initiatives based on the Asahi Group Supplier Code of Conduct.

- In 2020 the Asahi Group joined the Supplier Ethical Data Exchange (Sedex), an NPO membership organization which provides the world's largest platform for sharing information regarding supplier ethics. As a result, we are able to better understand the human rights and labor management conditions of our suppliers based on global standards. In 2022 we took part in establishing the Food & Beverage Industry Buyer Member Sedex Working Team along with nine other food and beverage companies. Moving forward, we will promote the use and standardization of Sedex while simultaneously collaborating with other members to encourage other suppliers to join.

Related Information

- [Promotion of CSR Procurement](#)
- [Our Human Rights Due Diligence](#)
- [Supplier CSR Questionnaire](#)

Main Activities

Share Information with Raw Materials Suppliers

The Asahi Group has advanced its identification of places where production of the agricultural raw materials indispensable for the continuation of its operations is likely to lead to environmental issues relating to climate change, water resources (water risks), and biodiversity. Also, it has begun efforts to identify the suppliers that require on-site investigations of human rights issues, with due consideration of the state of the society surrounding the suppliers.

Based on its risk assessments, the Asahi Group shares information about the environmental and human rights risks faced by raw materials suppliers that may significantly impact its procurement of agricultural raw materials. The Asahi Group will stay on top of events in these locations by strengthening its sharing of information with its suppliers.

Support Agricultural Production Areas in Their Farming Practices

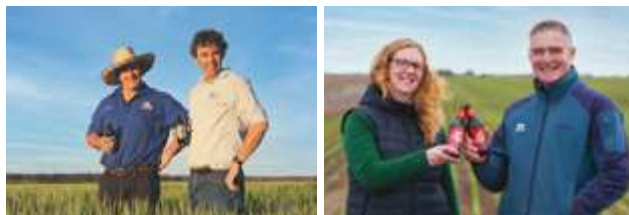
Based on the ways that risk-related information is shared with suppliers in agricultural production areas, the Asahi Group has begun community activities to support farmers in the farming of barley and hops, the raw materials of beer. In Australia, the Asahi Group has developed an SCM scheme to procure directly from farms and monitor the process for sustainable cultivation.

Specifically, we purchase approximately 70,000 tons of barley per year directly from farmers in Victoria and

► Sustainable Agricultural Raw Materials ► Activities



New South Wales. The agreement allows us to monitor agricultural processes, while our long-term commitment gives each grower the confidence and financial security to invest in new technology and make improvements in farming sustainability and efficiency.



Furthermore, in New South Wales we have begun efforts to increase yields through the introduction of a soil improvement program in collaboration with our suppliers. Throughout this five-year program we will measure the effects of crop rotation and soil improvement through the use of brewing yeast cell walls.

In Europe, too, we are promoting programs which support Czech Republic hops farmers and Italian barley farmers.

Related Information ► ["FOR HOPS" Project That Supports Hop Farmers \(Czech Republic\)](#)

► [Supporting Sustainable Agriculture through the Campus Peroni Project \(Italy\)](#)

Utilizing New Technologies

Research on soil-related technologies has been initiated to increase farm product yields through the use of brewing yeast cell wall materials and to achieve other goals. By supporting farmers and developing

technologies in this way, the Asahi Group aims to realize sustainable agricultural raw materials.

Asahi Biocycle Co., Ltd. pursues the development of a use cycle that circulates food resources by efficiently composting vegetable trimmings and other food waste using *THERVELICS*, a composting accelerator containing unique strains of bacteria known as *Bacillus subtilis* C-3102, to recycle food resources into agricultural production. In addition, we are developing agricultural materials (fertilizer materials) derived from brewing yeast cell walls, a by-product of the beer brewing process. We are promoting the use of these materials in rice and vegetable cultivation throughout Japan.

Related Information ► [Utilization of Brewing Yeast Cell Walls](#)

► [Use of a Composting Accelerator](#)

Transactions with Farm Producers Certified by Third-Party Agencies

The Asahi Group assesses risks in its agricultural production areas. Furthermore, it establishes targets and advances activities for the procurement of palm oil and other agricultural raw materials that are certified by third parties because of the high likelihood that these products could lead to environmental or human rights issues in the agricultural production areas.

Related Information ► [Promotion of CSR Procurement](#)

► Sustainable Water Resources

Initiatives



Management

Approach

Water resource problems have arisen on a global scale, due in part to global population growth, the economic growth of developing countries, and climate change. Global demand for water is increasing every year. Not only are more countries and regions susceptible to water shortages, but also changes in precipitation are increasing the risk of floods and droughts.

Water is an indispensable and valuable resource for the Asahi Group, as it enjoys the gifts from nature in its business operations. Water is also an important part of the global environment.

In terms of primary raw material production areas, the Asahi Group identifies suppliers and production areas that have a large impact on business, and highlights the respective drought risks, flood risks, and reputational risks for each area. Supposing a suspension of operations at manufacturing sites due to flood damage, we estimate that five manufacturing sites are at risk, with potential damage to fixed assets and inventory assets (stock) due to above-floor flooding causing 1.9 billion yen in damage. In addition, we have identified 10 manufacturing sites with a high possibility of operational suspension, which we estimate would result in a 6.7 billion yen loss in opportunity costs. In response to these business impacts, we are strengthening our disaster countermeasures, reducing water consumption, and creating a detailed understanding of water risks. Moving forward, we will promote water recycling by optimizing water usage, build a system of collaboration through river basin cooperation, preserve the ecosystem by

maintaining appropriate water quality and quantity, and improve water access in water-stressed regions along with other efforts regarding sustainable water resources, and in doing so, contribute to solving global water issues.

In order to pass on the precious gifts from nature to the next generation, the Asahi Group will continue to seek the creation of sustainable water resource use. In doing so, we strengthen our efforts as we work toward what we would like the world to be like in 2050. This world, described in the Asahi Group Environmental Vision 2050, is one where the appropriate quality and quantity of water and the function of the soil are preserved to maintain health, the living environment, and biodiversity, and where resilience against natural disasters is enhanced.

Governance

Related Information > [Environmental Management](#)

Risk Management

The Asahi Group recognizes the risks of rising global demand for water causing shortages that could make it difficult for the Group to continue its business operations and prevent future generations from enjoying water as one of the vital “gifts from nature.”

Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by divisions such as the Sustainability Section of Asahi Group Holdings, Ltd. and Regional

Headquarters, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

In order to create healthy watersheds for people and nature, the Asahi Group has set the following common global goals of reducing water use and assessing and reducing water risks, which we are currently working to address.

We have undertaken diverse activities to reduce our water consumption, with a target intensity of water consumption of 3.2 m³ or less for every kiloliter of alcohol beverages or soft drinks manufactured at the factories of Group companies. All our facilities are committed to enhancing water use efficiency. Methods employed include cascading recycling systems to allow water to be reused at different stages and for multiple purposes, and appropriate response and control measures to minimize the environmental impact of water intake and wastewater output processes.

In terms of assessing and reducing water risks, we recognize that water is a shared regional resource, and as such we are strengthening cooperation with both manufacturing sites and local areas alike as we contribute to sustainable water resource use. Furthermore, since our products are made using a wide variety of agricultural raw materials grown at sites around the world, we consider it imperative to identify the water risks associated with these agricultural raw materials and strive to assess and reduce them.

► Sustainable Water Resources ► Management



Metrics and Targets

The Asahi Group aims to ensure that all facilities of its major companies only use sustainable water resources.

To this end, the Asahi Group has set a water consumption rate reduction target for the alcohol beverages and soft drink factories of the major companies of the Group. Forty-six manufacturing sites run by the applicable operating companies have drawn up water management plans and are striving to reduce water use. The Asahi Group conducts water risk surveys to identify and respond to risks, and works on adopting further water use efficiencies to reduce water risks at manufacturing sites.

Related Information > Environmental Policies

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---|--|
| Reduce water intensity to 3.2 m ³ /kl or less by 2030 through streamlining of water usage and expansion of recycling system | 6.4/6.6 |
| Regular implementation of a water risk survey to ensure the sustainability of our water resources (Survey frequency: Once every five years) | |

*Target companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe and International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|--|
| AEI | <ul style="list-style-type: none"> By 2030, AEI to reach an average consumption in Europe of 2.75 liters of water per liter of beer brewed Spend less than 3 liters of water to brew a liter of beer in every single brewery we operate in Europe | 6.4/6.6 |
| AHA | <ul style="list-style-type: none"> Reduce water use at our key manufacturing sites by 2030 to just 2.19 liters per liter of beverage we produce | |

Related Information > Progress on Material Issue Initiatives (in 2022)

Related SDGs



- Related Information >
- Initiatives toward the TCFD Recommendations
 - Performance (Sustainable Water Resources)
 - Activities (Sustainable Water Resources)
 - Sustainable Agricultural Raw Materials
 - Realize Sustainable Supply Chains
 - CDP Water Security Questionnaire 2023 (Japanese only)

► Sustainable Water Resources

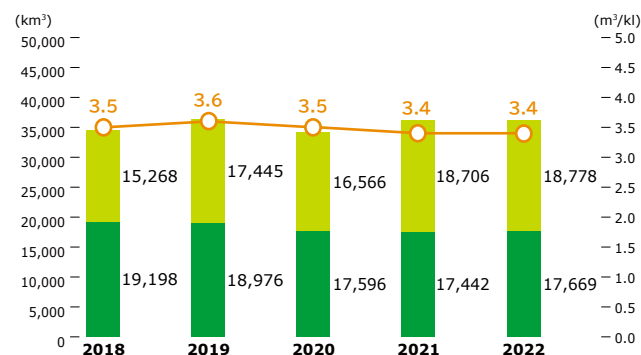


Performance

Water Consumption and Intensity

The water consumption and intensity in the Asahi Group in 2022 were calculated from the Group's operating companies in Japan, Europe, Oceania, and Southeast Asia.

Water Consumption and Intensity Used in Alcohol Beverages Business and Soft Drinks Business



■ Japan: Water consumption (km³) ■ Overseas: Water consumption (km³)
○ Intensity of water consumption (m³/kl): Water consumption per unit of production volume (kl)

Notes: 1 CUB Pty Ltd's performance has been added to the performance of Oceania since 2021.

2 Scope of aggregation: Click here for more information.

Water Consumption by Country

Unit: km³

| Country | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|--------|--------|--------|--------|--------|
| Japan | 22,777 | 22,280 | 20,584 | 20,227 | 20,521 |
| Australia | 2,469 | 2,422 | 2,318 | 4,315 | 4,527 |
| New Zealand | 344 | 337 | 294 | 273 | 309 |
| UK | 49 | 40 | 126 | 152 | 157 |
| Italy | 1,983 | 2,099 | 1,889 | 2,062 | 2,070 |
| The Netherlands | 948 | 918 | 937 | 923 | 932 |
| Poland | 3,731 | 3,783 | 3,779 | 3,560 | 3,550 |
| Czech Republic | 3,221 | 3,197 | 3,033 | 2,961 | 3,081 |
| Slovakia | 349 | 363 | 397 | 374 | 412 |
| Hungary | 778 | 718 | 634 | 685 | 653 |
| Romania | 1,975 | 1,971 | 1,979 | 1,977 | 1,853 |
| Malaysia | — | 1,829 | 1,477 | 1,886 | 1,716 |
| Indonesia | — | 193 | 197 | 206 | 193 |
| Vietnam | — | 39 | 30 | — | — |
| Myanmar | — | 101 | — | — | — |
| Total | 38,623 | 40,292 | 37,673 | 39,602 | 39,975 |

Note: Scope of aggregation: Click here for more information.

Water Intake by Water Source

Unit: km³

| Country/Region | Water intake source | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------|--|--------|--------|--------|--------|--------|
| Japan | Clean water, tap water, and industrial water | 12,572 | 12,177 | 10,693 | 10,327 | 10,521 |
| | River water | 2,598 | 2,505 | 2,307 | 2,413 | 2,426 |
| | Groundwater | 7,606 | 7,598 | 7,584 | 7,486 | 7,572 |
| Oceania | Clean water, tap water, and industrial water | 2,287 | 2,294 | 2,160 | 4,056 | 4,281 |
| | River water | 0 | 0 | 0 | 88 | 109 |
| | Groundwater | 525 | 466 | 452 | 443 | 446 |
| Europe | Clean water, tap water, and industrial water | 7,015 | 7,083 | 7,177 | 6,882 | 7,020 |
| | River water | 0 | 0 | 0 | 0 | 0 |
| | Groundwater | 6,019 | 6,006 | 5,596 | 5,813 | 5,689 |
| Southeast Asia | Clean water, tap water, and industrial water | — | 1,101 | 795 | 1,156 | 951 |
| | River water | — | 0 | 0 | 0 | 0 |
| | Groundwater | — | 1,062 | 909 | 936 | 947 |
| Total by water intake source | Clean water, tap water, and industrial water | 21,875 | 22,655 | 20,825 | 22,422 | 22,773 |
| | River water | 2,598 | 2,505 | 2,307 | 2,501 | 2,535 |
| | Groundwater | 14,150 | 15,132 | 14,542 | 14,679 | 14,654 |
| Grand total | | 38,623 | 40,292 | 37,673 | 39,602 | 39,975 |

Notes: 1 Since 2018, the Asahi Group has been disclosing data about the Group's water consumption and wastewater output, which has been verified by a third party.

2 Scope of aggregation: Click here for more information.

► Sustainable Water Resources ► Performance



Wastewater

Wastewater by Country

| Unit: km ³ | | | | | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|
| Country | 2018 | 2019 | 2020 | 2021 | 2022 |
| Japan | 16,615 | 16,428 | 15,312 | 14,873 | 15,059 |
| Australia | 1,128 | 1,218 | 1,133 | 2,106 | 2,240 |
| New Zealand | 227 | 214 | 165 | 151 | 148 |
| UK | 32 | 27 | 77 | 128 | 109 |
| Italy | 1,178 | 1,205 | 1,140 | 1,198 | 1,185 |
| The Netherlands | 576 | 605 | 651 | 639 | 632 |
| Poland | 2,238 | 2,298 | 2,229 | 2,085 | 2,144 |
| Czech Republic | 1,953 | 1,825 | 1,852 | 1,775 | 1,741 |
| Slovakia | 238 | 269 | 215 | 188 | 243 |
| Hungary | 499 | 536 | 412 | 443 | 424 |
| Romania | 1,128 | 1,154 | 1,195 | 1,239 | 1,076 |
| Malaysia | — | 502 | 557 | 539 | 384 |
| Indonesia | — | 165 | 154 | 172 | 175 |
| Vietnam | — | 23 | 18 | — | — |
| Myanmar | — | 72 | — | — | — |
| Total | 25,813 | 26,540 | 25,111 | 25,536 | 25,560 |

Note: Scope of aggregation: [Click here](#) for more information.

Wastewater Amount by Destination of Wastewater

| Unit: km ³ | | | | | | |
|--------------------------------|------------------------------|---------------|---------------|---------------|---------------|---------------|
| Country/ Region | Destination of wastewater | 2018 | 2019 | 2020 | 2021 | 2022 |
| Japan | Sewer | 8,055 | 7,782 | 6,975 | 6,582 | 6,683 |
| | Sea | 641 | 702 | 521 | 381 | 378 |
| | River | 7,918 | 7,944 | 7,816 | 7,910 | 7,998 |
| | Other (Irrigation, etc.) | 0 | 0 | 0 | 0 | 0 |
| Oceania | Sewer | 1,345 | 1,423 | 1,289 | 2,233 | 2,388 |
| | Sea | 0 | 0 | 0 | 0 | 0 |
| | River | 0 | 0 | 0 | 0 | 0 |
| | Other (Irrigation, etc.) | 11 | 9 | 10 | 24 | 0 |
| Europe | Sewer | 7,689 | 7,452 | 7,286 | 7,355 | 7,260 |
| | Sea | 0 | 0 | 0 | 0 | 0 |
| | River | 154 | 467 | 485 | 339 | 294 |
| | Other (Irrigation, etc.) | 0 | 0 | 0 | 0 | 0 |
| Southeast Asia | Sewer | — | 0 | 0 | 539 | 189 |
| | Sea | — | 0 | 0 | 0 | 0 |
| | River | — | 762 | 713 | 156 | 366 |
| | Other (Irrigation, etc.) | — | 0 | 17 | 16 | 4 |
| Total of water discharge | Sewer | 17,089 | 16,657 | 15,550 | 16,709 | 16,520 |
| | Sea | 641 | 702 | 521 | 381 | 378 |
| | River | 8,072 | 9,172 | 9,013 | 8,405 | 8,658 |
| | Other (Irrigation, etc.) | 11 | 9 | 27 | 41 | 4 |
| Total | | 25,813 | 26,540 | 25,111 | 25,536 | 25,560 |

Note: Scope of aggregation: [Click here](#) for more information.

Third-Party Verification

[Related Information](#) > [Third-Party Verification](#)

► Sustainable Water Resources

Activities

In order to create healthy watersheds for people and nature, the Asahi Group has set the following goals, which we are currently working to address: Reduction in Water Use and Assessment and Elimination of Water Risks.

Reduction in Water Use

The Asahi Group conducts many different activities to reduce water consumption, with the established target intensity of consuming 3.2 m³/kl of water or less at the sites where its companies manufacture alcohol beverages and soft drinks.

In addition, since 2018, the Asahi Group has been disclosing third-party-verified water consumption and wastewater amount data.

Approach

To achieve sustainable water resources, a target established as part of the Asahi Group Environmental Vision 2050, we have formulated a Group-wide water management plan and are working to reduce water consumption.

The Asahi Group is committed to efficient water usage at all major manufacturing sites. One policy being adopted to achieve this is cascading water use, in which water used for washing containers is reused on multiple levels for different purposes, depending on the level of contamination. Moreover, we are striving to appropriately address and manage our water intake and wastewater output to minimize the environmental impact. We are actively working through our business

activities to encourage the conservation of sustainable water resources, not only within the scope of our operations but throughout the entire supply chain.

Specific Activities to Reduce Water Use Activities of Asahi Breweries, Ltd.

Asahi Breweries, Ltd. is raising the efficiency and reducing the volume of its water use by reducing the amount of water it uses to clean and sterilize tanks and pipes at its breweries and by effectively using recovered and membrane-filtered water from production processes.



Water treatment facility (Nagoya Brewery)

Activities of Yatala Brewery

The water recycling facility at the CUB Pty. Ltd.'s Yatala Brewery, a company under the umbrella of Asahi Holdings (Australia) Pty Ltd., produces high-quality recycled water. This recycled water is used in various settings within the manufacturing process (excluding any processes which come in contact with product), such as cleaning steam generators and production tanks, as well as creating steam used for heat sterilization. In this way, we are working to reduce the amount of valuable water resources that we consume.

In addition, by reviewing our manufacturing processes, we are taking steps to reduce the volume of water used itself, in such ways as reducing the amount of water used for cleaning within the changeover process to manufactured products, as well as optimizing the washing cycle for production lines and plumbing.

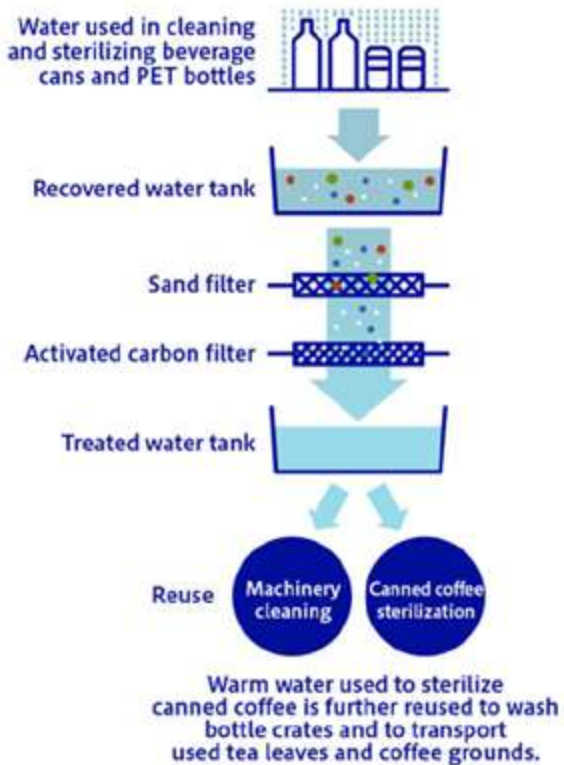
Through these efforts, the Yatala Brewery has realized a high level of water use efficiency within the Asahi group's breweries, and uses on average two hectolitres (HL) of mains water to manufacture one HL of product.

► Sustainable Water Resources ► Activities



Activities of Asahi Soft Drinks Co., Ltd.

Asahi Soft Drinks Co., Ltd. makes various efforts at its factories to avoid wasting precious water.



Water used in cleaning and sterilizing beverage cans and PET bottles is treated and reused for other purposes.

Modifications in the shape and water flow rate of air induction nozzles used in washing PET bottles and bottle caps have led to reduced water use and increased cleaning capability.

Water use has been reduced by 60% to 75% from that prior to modification.



Air induction nozzle

Activities of Birra Peroni S.r.l.

Birra Peroni S.r.l., an Italian subsidiary of Asahi Europe and International Ltd., is actively working to reuse water by expanding cascade use with the installation of equipment that measures the level of contamination of the water used in the beer production process.

Assessment and Elimination of Water Risks

Products of the Asahi Group are made using a wide variety of agricultural materials grown all over the world. It is imperative that the Asahi Group completely identifies the water risks in these farm products as well as in its manufacturing sites, and the Asahi Group strives to identify and reduce water risks.

Water Risk Survey at Manufacturing Sites

The Asahi Group's assessments of water risks at its manufacturing sites make use of WRI Aqueduct (world maps and data provided by the World Resources

Institute (WRI) that show water risks) to geographically identify areas with high-level water risks, such as drought risks, for each manufacturing site. The areas whose overall water risk is identified by WRI Aqueduct as "extremely high" are defined as those at high overall risk from drought and other water risks. The Group makes its assessments accordingly. We found that, based on an assessment of water stress risks (the degree of stress between water supply and demand) alone, two of our manufacturing sites in Italy also qualify as being at extremely high risk. Asahi Europe and International Ltd., which oversees Italian operations, has set a goal of reducing the average consumption of water to 2.75 liters per liter of beer brewed by 2030 (a 1.4% reduction from 2020). We have also ascertained survey results for past water risk (vulnerability) surveys in Europe and begun considering possible countermeasures against such risks.

At manufacturing sites in Japan, no sites were found to meet the definition of having high water risks under the above assessment criteria.

Since 2020, the Asahi Group has been conducting more detailed water risk (vulnerability) surveys at major alcohol beverage and soft drink manufacturing sites around the world. These surveys assess not only water stress risks at sites, but also those in the surrounding watersheds and flood risks related to climate change. During 2022, we conducted these surveys at four sites in Japan, five sites in Oceania, and nine sites in Europe. We plan to conduct these surveys at all major alcohol beverage and soft drink manufacturing sites by 2025.

Going forward, we will continue to regularly survey

► Sustainable Water Resources ► **Activities**



our manufacturing sites and raw material suppliers using tools such as WRI Aqueduct, as well as conduct detailed risk surveys for each site. If any of our manufacturing sites are found to have a high water risk, we will take appropriate measures in accordance with specific details of the risk and social circumstances in the area.

Water Resource Conservation through Asahi Forest

The Asahi Group implements appropriate forest management at Asahi Forest, the Group-owned forest, contributing to freshwater resource conservation through enhanced groundwater recharge in the region. The groundwater recharge amount in the Asahi Forest is greater than the amount of water we use annually in our brewery operations in Japan. Actively engaging diverse stakeholders, we protect and conserve biodiversity in Asahi Forest and continue to contribute to local communities.

The Asahi Group has redefined the amount of water that is replaced into the groundwater of Asahi Forest, as “the amount of water that can be consistently supplied as groundwater and can be used by local people, animals, and plants” by taking into consideration the multifaceted functions of the forest. It has verified the groundwater recharge amount based on the definition, taking into account the opinions of experts.

The managed area has since been expanded, and the groundwater recharge amount in Asahi Forest has been 11.01 million m³ since 2021.

The amount of water used by our Japanese breweries in 2022 was approximately 9.78 million m³/year, which means that more than 100% of the water used by the breweries can be returned to local communities through Asahi Forest. Not content with this result, the Asahi Group will work to preserve sustainable water resources by further improving the efficiency of water use at our factories and continuing to recharge water in Asahi Forest.

Conducting Water Risk Surveys for Agricultural Raw Materials

Water is a raw material that is indispensable to the Asahi Group and necessary for growing agricultural raw materials. The Group assesses water quantity risks (risks of water stress, seasonal variation, the lowering of groundwater levels, and other phenomena that pose difficulties in securing the necessary amount of water to grow farm products) and natural disaster risks (flood and drought risks) faced by the places of origin of its agricultural raw materials.

Related Information > [Activities \(Sustainable Agricultural Raw Materials\)](#)

Conducting Water Risk Surveys of Suppliers

Supplier water risk exposure surveys identified the need to examine water risks on site. Since 2017, we have interviewed our suppliers regarding the state of water risks when conducting supplier quality audits.

Related Information > [Promotion of CSR Procurement](#)

► Reduction of Waste and Prevention of Pollution



Management

Approach

Together with the global population increase and economic growth, an economic structure based on mass production and mass consumption has led to the accelerated consumption of resources. If the current situation continues, the world will be plunged into a state of crisis, with depletion of resources and environmental pollution occurring due to an increase in the volume of waste being produced. For this reason, making effective use of resources and reducing the amount of waste being generated are pressing issues in all sectors of industry.

The Asahi Group generates various types of waste and by-products in its product manufacturing processes and recognizes that the efficient use of resources, the reduction of waste, and the prevention of pollution are important issues.

By promoting the effective use of resources and the reduction of waste emissions, the Asahi Group reduces waste disposal costs and contributes to minimizing our environmental impact. Utilizing by-products will also allow us to contribute to resolving global food problems.

Governance

Related Information [Environmental Management](#)

Risk Management

The Asahi Group recognizes the risks of natural resource exhaustion, environmental pollution due to increased

waste generation, and other issues imperiling the Group's ability to make use of resources, which could make it difficult for the Group to continue its business operations, and also have various negative impacts on society.

These risks are identified, prioritized, responded to, and monitored on an ongoing basis in conformance with ISO 14001 and other environmental management systems, with compliance with all environmental-related laws and regulations assumed as a matter of course.

Strategies

The Asahi Group promotes waste and by-product recycling in order to reduce the amount of waste we generate. Utilizing powerful microbe and fermentation technology cultivated over numerous years of research, we also promote various initiatives in cooperation with a wide range of stakeholders, including joint development with research institutes of high value-added by-products and working with agricultural producers to encourage high value-added by-product use. Additionally, our employees actively participate in waste reduction initiatives at manufacturing sites and offices, and we also work with local governments to reduce waste.

Metrics and Targets

The Asahi Group leverages its accumulated technologies and knowledge to study new uses for by-products. It will commercially expand its activities for the creation of environmental value that maximizes the Asahi Group's

unique strengths. The Group also encourages the 3R approach for waste to facilitate activities preventing pollution and achieve zero landfill waste at our manufacturing sites by 2030. In Japan,* the Asahi Group already recycles 100% of by-products and waste and will continue to achieve 100% recycling of by-products and waste in the future.

*Manufacturing sites in Japan and the Asahi Group Head Office building

Related Information [Environmental Policies](#)

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|--|---|
| <ul style="list-style-type: none"> Achieve zero landfill waste at our manufacturing sites by 2030 | 2.4/12.2/12.5 |

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|---|
| AGJ | <ul style="list-style-type: none"> Maintain the 100% recycling rate for all by-products and waste | 2.4/12.2/12.5 |

Related Information [Progress on Material Issue Initiatives \(in 2022\)](#)

► **Reduction of Waste and Prevention of Pollution** ► **Management**



Related SDGs



Related Information

- [Initiatives toward the TCFD Recommendations](#)
- [Realize Sustainable Supply Chains](#)

► Reduction of Waste and Prevention of Pollution



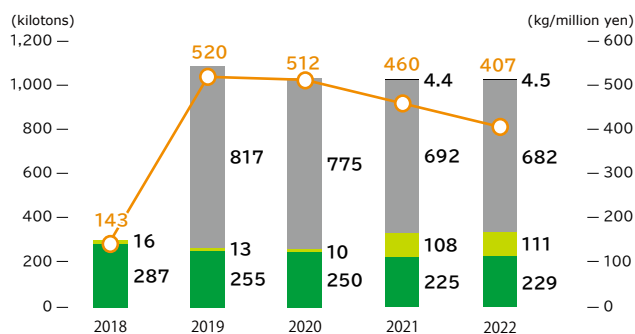
Performance

Waste Reduction

Waste Generation

The amount of by-products and waste generated in the Asahi Group in 2022 was calculated from the Group's operating companies in Japan, Europe, Oceania, and Southeast Asia.

Changes by Operating Business in the Volume of By-products and Waste Generated (Intensity)



- Japan: By-products and waste generated (kilotons)
- Oceania: By-products and waste generated (kilotons)
- Europe: By-products and waste generated (kilotons)
- Southeast Asia: By-products and waste generated (kilotons)
- Intensity of by-products and waste generated (kg/million yen)

Notes:

- 1 Per unit of net sales
- 2 Net sales in accordance with the International Financial Reporting Standards (IFRS) was used for intensity calculations from 2016.
- 3 Disclosure of overseas by-products and waste generated by region covers only Oceania up to 2018, Oceania and Europe in 2019, and Oceania, Europe, and Southeast Asia from 2021.
- 4 CUB Pty Ltd's performance has been added to the performance of Oceania from 2021.
- 5 Scope of aggregation: Click here [▶](#) for more information.

By-products and Waste Generated and Recycled by Region

Unit: kilotons

| Region | Content | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------|-------------------------|------|------|------|-------|-------|
| Japan | Waste generated | 287 | 255 | 250 | 225 | 229 |
| | Recycled | 287 | 255 | 250 | 225 | 229 |
| | Recycled rate (%) | 100 | 100 | 100 | 100 | 100 |
| | Landfill waste rate (%) | | | | | 0 |
| Oceania | Waste generated | 16 | 13 | 10 | 108 | 111 |
| | Recycled | 14 | 12 | 9 | 106 | 109 |
| | Recycled rate (%) | 88 | 88 | 90 | 98 | 98 |
| | Landfill waste rate (%) | | | | | 2 |
| Europe | Waste generated | — | 817 | 775 | 692 | 682 |
| | Recycled | — | 798 | 757 | 679 | 674 |
| | Recycled rate (%) | — | 98 | 98 | 98 | 99 |
| | Landfill waste rate (%) | | | | | 1 |
| Southeast Asia | Waste generated | — | — | — | 4.4 | 4.5 |
| | Recycled | — | — | — | 1.4 | 2.4 |
| | Recycled rate (%) | — | — | — | 32 | 53 |
| | Landfill waste rate (%) | | | | | 47 |
| Total for all regions | Waste generated | | | | 1,030 | 1,026 |
| | Recycled | | | | 1,012 | 1,014 |
| | Recycled rate (%) | | | | 98 | 98 |
| | Landfill waste rate (%) | | | | | 2 |

Note: Scope of aggregation: Click here [▶](#) for more information.

Prevention of Environmental Pollution

Reduction of Air Pollutants

The Asahi Group is working to reduce air pollutants of NOx (nitrogen oxides) and SOx (sulfur oxides).

Emissions of NOx and SOx

Unit: tons

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----|------|------|------|------|------|
| NOx | 157 | 220 | 179 | 177 | 177 |
| SOx | 14 | 14 | 13 | 8 | 8 |

Note: Scope of aggregation: Click here [▶](#) for more information.

► Reduction of Waste and Prevention of Pollution



Activities

Activities for Waste Reduction

The Asahi Group advances a variety of activities for the reduction of waste.

Use of Recycled Resources

The Asahi Group has set a target of recycling 100% of the by-products and waste from its manufacturing sites in Japan,^{*1} which has already been achieved.^{*2} Moving forward, the Group will seek 100% recycling of by-products and waste from the entire Group.

*1 Manufacturing sites in Japan and Asahi Group Head Office building
 *2 Volumes of waste generated and waste recycled are both calculated in units of 1,000 tons (kilotons). Actual recycling rates may reach 100% due to rounding up of values to two decimal points.

Methods of Utilizing Recycled By-products and Waste (Examples)

| | Methods of utilization |
|---|--|
| Malt feed (crust of malt generated during the processing stage) | Fodder |
| Sludge, screened lees | Organic fertilizer, compost, etc. |
| Glass cullet | Recycled bottles, new bottles, building materials, etc. |
| Collected raw material residues | Fodder |
| Surplus brewing yeast | Quasi-pharmaceutical products such as <i>EBIOS</i> manufactured by Asahi Group Foods, Ltd., food materials such as yeast extract, <i>Asahi Super Beer Yeast</i> , etc. |
| Cardboard/paper | Base paper of cardboard |
| Waste pallets | Manufactured paper, fuel chips |
| Label chaff | Recycled paper |

| | Methods of utilization |
|--------------------------|--|
| Waste plastics | Recycled plastic |
| Steel scrap | Steel material |
| Aluminum scrap | Aluminum cans, electrical products |
| Incinerated ash | Base course material |
| Waste oil | Oil equivalent to B-grade heavy oil |
| Other (waste kegs, etc.) | Stainless-steel parts are recycled, and rubber parts are used as heat source |

Promote Recycling of Waste Products

From 2015, the Asahi Group has been progressively implementing a waste product data management system for all Group companies in Japan to strengthen its information disclosure through the centralized management of waste product data, and strengthen compliance at plants of Group companies, even as the Group continues to promote the optimization of its operations.

The Asahi Group Head Office building uses a methane fermentation system (Bio Energy Corporation Jonanjima Plant) to recycle food scrap waste into electricity and city gas and contribute to the supply of electricity to Tokyo. Through such initiatives, the Head Office building has maintained 100% waste recycling since 2006.



External view of Bio Energy Corporation Jonanjima Plant

Reduction of Food Waste/ Replacement of Use-by Labels with Labels Showing Year and Month Only

We are replacing use-by labels showing the year, month, and date with labels indicating the year and month only as an initiative for reducing food wastage.



Example of use-by labels on products of Asahi Group Foods, Ltd.

Reducing Food Loss in the Asahi Group's Operational Activities

Encouraging Efficient Use of Coffee Grounds and Used Tea Leaves Generated in Manufacturing

Asahi Soft Drinks Co., Ltd. is developing applications for recycling and efficiently using 100% of the food waste from the company's product manufacturing processes.

Since 2013, its Hokuriku Plant has used coffee grounds generated during the manufacturing of the *WONDA* brand of coffee as a fuel for biomass energy. The Fujisan Plant recycles used tea leaves from the production of *Asahi JUROKUCHA* into mixed feed for dairy cows. These practices lead to the efficient use of waste and a reduction of the use of imported cereals as the raw materials for mixed feed. Consequently, they contribute to the reduction of feed costs.

► Reduction of Waste and Prevention of Pollution ► Activities



Coffee grounds are used as fuel for biomass power generation.



Used Asahi JUROKUCHA tea leaves are recycled into mixed feed.

Repurposing Sludge Waste into Fertilizer


Asahi Holdings Southeast Asia Sdn. Bhd. worked with the Etika Dairies Sdn. Bhd. (Malaysia) plant to collaborate with a waste management third-party company to repurpose its wastewater sludge into fertilizer. These efforts contribute into significantly reducing the plant's landfill disposal by 50%, thus reducing the plant's environmental impact.

Recycling of By-products (Utilization of Fermentation Technologies)


The Asahi Group works to use as many different by-products as possible by utilizing fermentation technology, with the goal of recycling 100% of the by-products from its manufacturing processes.

Utilization of Beer Brewing By-products

Utilization of Malt Feed

The Asahi Group processes  malt feed (brewer's grains) (Japanese only), a by-product of brewing, and efficiently uses it to feed livestock.

Utilization of Brewing Yeast

One by-product of brewing is brewing yeast. Post-brewing yeast is used as a raw material for the manufacture of  *EBIOS* (Japanese only) naturally derived brewing yeast tablets, which have been commercially available since 1930. Decomposed yeast extract is used as a raw material for seasonings and similar products.


Utilization of Brewing Yeast Cell Walls

Since 2004, the Asahi Group has been working on the development of a new type of agricultural material that utilizes the plant immunity properties of brewing yeast cell walls, a by-product of the brewing process.

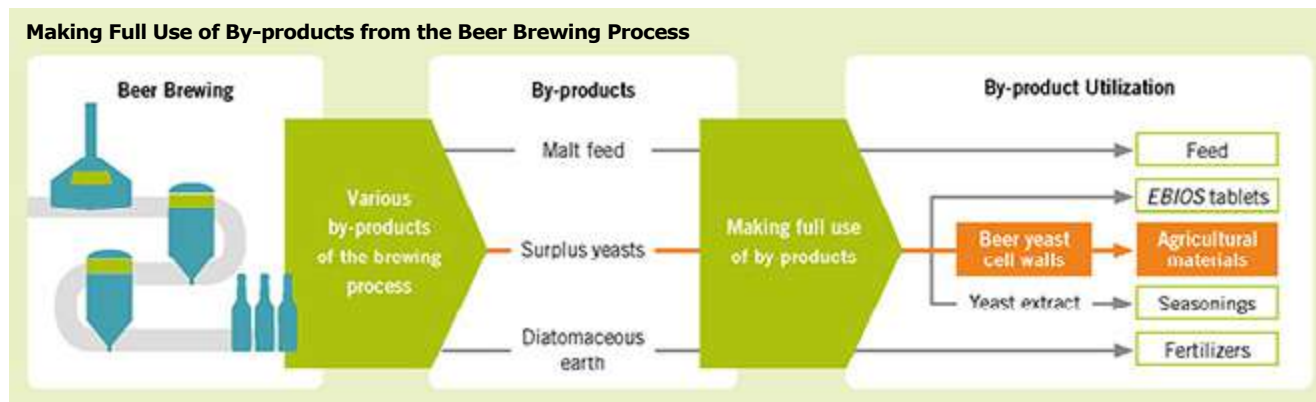
Brewing yeast, a by-product of brewing, has been used for purposes such as the manufacture of *EBIOS*. However, the water-insoluble yeast cell walls in the by-product cannot be absorbed by plants, so have not been put to any use to date.

After about 10 years of study, the Asahi Group succeeded in developing agricultural raw materials (fertilizer raw materials) that improve the absorbability of cell walls by plants. The Asahi Group developed proprietary technology used to process brewing yeast cell walls, paving the way toward the creation of agricultural materials capable of reducing agrochemical use and increasing crop yields. A test conducted with rice and other crops showed that the agricultural materials helped plants extend roots and improved the resistance of crops to diseases.

As these agricultural materials allow the reduced use of agricultural chemicals and chemical fertilizer they offer peace of mind, safety, and potential effects such as enhanced quality and soil improvements. Moreover, the increased crop yields also enable lower greenhouse gas emissions as a percentage of yield. As such, these agricultural materials are expected to contribute to sustainable agriculture.

These agricultural materials are currently available from  Asahi Biocycle Co., Ltd., a company established to resolve social problems through our business operations. In Japan, they are used by farms, golf courses, and natural-grass sports facilities and parks, such as baseball fields including Hanshin Koshien Stadium.

► Reduction of Waste and Prevention of Pollution ► Activities



Rice plants using an agricultural supplement made from brewing yeast cell walls (right) and conventionally cultivated rice plants (left)

Utilization of Coffee Grounds

The Asahi Group has advanced a variety of activities such as the recycling of coffee grounds from coffee manufacturing processes into fertilizers or supplying them to outside facilities for use as fuel for biomass energy. In 2020, the Asahi Group developed *FROST BUSTER*, a frost damage inhibitor for farm crops that is made with an extract from coffee grounds, in collaboration with KUREi, a startup from Kansai University. *FROST BUSTER* is capable of inhibiting damage to crops through a technology enabling moisture to exist as a liquid even below the freezing point. Data on the product's effectiveness has been collected mainly from fruit farms. Currently, *FROST BUSTER* is being marketed with the aim of further commercial expansion.

Related Information [Asahi Quality & Innovations, Ltd.: Materials Search \(Japanese only\)](#)

Use of Microorganisms

Use of a Composting Accelerator

Asahi Biocycle Co., Ltd. pursues the development of a circular cycle of food resources by efficiently composting food waste, which is often simply incinerated, by using *THERVELICS*, a composting



accelerator containing unique strains of bacteria known as *Bacillus subtilis* C-3102, to recycle the food resources into crops. *THERVELICS* efficiently carries out composting by accelerating the fermentation of food waste, such as vegetable peels, increasing the speed of decomposition.

The Asahi Group believes that the greater application of *THERVELICS* will reduce its impact on the environment by reducing the volume of food waste and promote recycling-oriented agriculture through the use of compost. It will also promote food recycling and contribute to the creation of a circular economy and the establishment of regional resource recycling-oriented economies, as well as reduce CO₂ emissions by composting organic matter rather than incinerating it.

Related Information [Utilizing New Technologies](#)

Food Waste Recycling in Employee Cafeterias

The Asahi Group has introduced a composter that uses *THERVELICS* to some of its staff canteens. The composter achieves zero kitchen waste and contributes to reducing

▶ Reduction of Waste and Prevention of Pollution ▶ Activities



CO₂ emissions from the transportation and incineration of kitchen waste by converting waste and leftovers from canteens into compost.

The high-quality, mature compost produced by *THERVELICS* is supplied to farming families, where it is used for growing crops.



Utilizing Probiotics for Livestock

CALSPORIN (*Bacillus subtilis* strain C-3102), sold and manufactured by Asahi Biocycle Co., Ltd., is a probiotic for livestock that optimizes their intestinal flora. Its benefits include improved feed efficiency and increased livestock size. *CALSPORIN* is currently licensed in 60 countries worldwide, making it possible to save approximately 520,000 tons of mixed feed grains (soybean, corn, flour, etc.) per year worldwide in 2022. The grain saved could be used as food for people, helping to solve the global food shortage problem. According to estimates by Asahi Biocycle Co., Ltd., assuming *CALSPORIN* was used for livestock feed worldwide, food for 125 million people could be produced.



Prevention of Environmental Pollution

Reduction of Air Pollutants

Related Information > Emissions of NO_x and SO_x

Management of Hazardous Chemical Substances

In addition to properly monitoring and managing the volume of substances that fall under the PRTR Law, the Asahi Group formulated Standards for Handling Reagents and Standards for Handling Poisonous and Deleterious Substances to carefully control the receiving, use, and disposal of reagents designated by the Poisonous and Deleterious Substances Control Act that are used to check the quality of our products.

No major accidents involving leakage of chemical substances occurred in 2022.

Responding to Soil Contamination

The Asahi Group set up dikes surrounding all inlets and storage tanks for cleansing agents and other chemicals used during the manufacturing process at our breweries and factories to prevent soil contamination. As an additional safeguard against any possible leakage of these liquids from tanks and other areas, the Asahi Group has established a system for ensuring that the liquids are treated as wastewater by its in-house wastewater processing facility.

The Asahi Group conducts soil contamination research appropriately when it is necessary.



Connect People to Realize Vibrant Communities

Communities

Changes in social trends have resulted in the weakening of connections between individuals, as well as between people and communities, creating a variety of local issues.

The Asahi Group seeks to bring more fun to life for everyone throughout the various communities supported by our business activities.

We do this by engaging in co-creation with our stakeholders and establishing connections between people.

Key Initiatives

- ▶ Realize Sustainable Communities through the Creation of People-to-People Connections

- ▶ Management

- ▶ Performance

- ▶ Activities

► Realize Sustainable Communities through the Creation of People-to-People Connections

Key Initiatives



Management

Approach

There has been an acceleration in economic development and the trend of mobilization among populations, leading to an unbalance in the distribution of populations, including the heavy concentration of people in urban areas and depopulation in rural areas around the world. As a result, regional connections and connections between people with a shared sense of values have weakened. The weakening of such connections has given rise to a variety of social issues, such as social isolation, deteriorating safety, declining attachment to local communities, and labor shortages in rural communities. This weakening has also been a major reason for the decline in community-based activities.

The Asahi Group has been supported by various communities through business activities such as procurement, production, and sales. We believe it is important to reevaluate and further develop these connections, which is why we established "RE:CONNECTION" as the slogan of our activities toward the material issue of "Communities" and are promoting initiatives regarding this subject.

Governance

In 2021, the Asahi Group launched the Community Task Force and created a global promotion structure with the objective of reinforcing Group-wide community activities. The Asahi Group holds Community Task Forces four times a year, with Asahi Group Holdings,

Ltd. and personnel from each Regional Headquarters participating. These task forces discuss policies and share community best practices with the goal of raising the level of activities across the Group.

In 2022, the Group formulated a new community strategy. The formulation process involved discussion at Community Task Forces between staff responsible for practical operations at each Regional Headquarters, followed by consideration by executive officers in charge at the Sustainability Leader Conference and Sustainability Execution Conference, and finally approval by the Global Sustainability Committee.



Risk Management

The Asahi Group recognizes the risks of rising vulnerability among local communities in our regions of operation and regions of raw material production affecting the stability of our operations and procurement.

Regarding these risks, the Sustainability Section of Asahi Group Holdings, Ltd. manages activities in regional communities Group-wide, with each Regional Headquarters reporting four times per year on sustainable agricultural industry, community support activities, and other matters.

The Asahi Group maintains stable operations and procurement by winning the trust of local communities, and will continue carrying out sustainable community activities.

Strategies

To further reinforce the Asahi Group's community activities, in 2022 we formulated a community strategy that defined "Sustainable agricultural industry" as our key activity and "Community support activities with employee participation" as our basic activity.



► Realize Sustainable Communities through the Creation of People-to-People Connections ► **Management**



• **Key activity: “Sustainable agricultural industry”**

Because the Asahi Group uses farm produce, the “gifts of nature,” to create its products and services, it has close relationships with the agricultural industry. The agricultural industry has long played a vital role in creating jobs, handing down local specialties and traditions, and connecting communities. Recognizing members of the agricultural industry as a community with a major impact on our business and on society, we resolved to increase our initiatives dedicated to agricultural raw materials, which form the core of our business. Along with stable procurement of raw materials with the goal of sustainable business development, we put our unique technology to use powering initiatives in areas such as regional revitalization, environmental impact reduction, and respect for human rights, contributing to “improvement in agricultural producers’ Well-being through connection (co-creation) with stakeholders.”

• **Basic activity: “Community support activities with employee participation”**

In order to reevaluate and enhance community connections, we believe it is important for our employees to play an active role in considering the issues facing different regions and acting to resolve those issues. We have defined “Community support activities with employee participation” as our basic activity, and we aim to strengthen our connections to communities through proactive activity in three focus areas that are highly relevant to our business: “food,” “regional environment,” and “disaster relief.”

Food: The Asahi Group’s main business areas are alcohol beverages, beverages, and foods, and “food” is closely linked to these.

Regional Environment: The Asahi Group develops its business operations with products that enjoy the “gifts of nature” and with consideration for the “regional environment,” which is a key element of business continuity.

Disaster Relief: The Asahi Group believes that in the event of a disaster, “disaster relief” is a natural course of action for companies operating in the area.

Metrics and Targets

The Asahi Group promotes sustainable community activities and seeks to bring more fun to life for everyone.

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---|--|
| <ul style="list-style-type: none"> • Aim to improve the well-being of agricultural producers through connections (co-creation) with stakeholders under the key activity of sustainable agriculture | 2.4/11.a/17.16/17.17 |
| <ul style="list-style-type: none"> • Under the basic activity of community support activities, all RHQ participate in implementing our global initiative of RE:CONNECTION for the EARTH | |

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|--|
| AGJ | <ul style="list-style-type: none"> • Conduct cross-group community support activities related to the regional environment twice a year | 2.4/11.a/17.16/17.17 |
| AHSEA | <ul style="list-style-type: none"> • Conduct community participation programs at each business unit twice a year | |

Related Information > Progress on Material Issue Initiatives (in 2022)

Related SDGs



Related Information > Activities (Realize Sustainable Communities through the Creation of People-to-People Connections)

► Realize Sustainable Communities through the Creation of People-to-People Connections



Performance

Social Contribution Expenditures

Unit: million yen

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------|-------|-------|-------|-------|-------|
| Total | 1,351 | 1,292 | 1,207 | 1,104 | 1,621 |

Note: Scope of aggregation: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd.

Breakdown of Expenditures (in 2022)

| Details | |
|--|---|
| Employee participation in community support activities ^{*1} | 8,000 people (overall number of participants) |
| Donations for community support activities ^{*1} | Donated approximately 15 million yen in total |
| Product donations to food banks ^{*2} | Donated approximately 206.60 million yen in total |

*1 Scope of aggregation: Entire Asahi Group

*2 Scope of aggregation: Asahi Group Japan, Ltd.

▶ Realize Sustainable Communities through the Creation of People-to-People Connections



Activities

The Asahi Group formulated a community strategy that defined “Sustainable agricultural industry” as our key activity and “Community support activities with employee participation” as our basic activity. In terms of sustainable agricultural industry, our objective is “improvement in agricultural producers’ Well-being through connection (co-creation) with stakeholders.” As such, we strive to contribute to the well-being of the agricultural producers with whom we work. We also promote community support activities for employees by establishing various systems that encourage employee participation while simultaneously advancing initiatives that produce connections. These activities are based on the belief that it is important for employees to recognize local issues and take action to resolve them.

Internal Systems

The Asahi Group is encouraging respective Group employees to keep taking part in community support activities. For that purpose, the Asahi Group has prepared systems, including leave and other systems for supporting their community support activities, an intranet, and an in-house magazine offering information about such activities.

Major Systems and Programs for Community Support Activities by Employees

- Common Global Support Systems and Programs

| System/Program | Content |
|--|--|
| Donation system for community support activities | To address social issues in each region, this system converts the time Asahi Group employees spend participating in community support activities into points that are then calculated as currency, and donated to local community involvement initiatives. |

- Support Systems and Programs in Japan

| System/Program | Content |
|---|--|
| Asahi Nice Life Leave System (Volunteer Leave System) | Provides 12 days of annual paid leave for employees participating in voluntary activities that meet the required criteria. |
| Guru-guru Asahi | A portal site providing information on community support activities, recruitment, and participation feedback. |
| Volunteers who collect and donate various items | Volunteers collect and donate used prepaid cards, used stamps, unused postcards, and other items. |

Key Activity: Sustainable Agricultural Industry

“FOR HOPS” Project That Supports Hop Farmers (Czech Republic)

Plzeňský Prazdroj, a.s., an operating company in the Czech Republic under the umbrella of Asahi Europe and International Ltd., launched the “FOR HOPS” project in 2021 to support hop farmers. The Czech Republic is one of the world’s leading hop-producing countries and has a history stretching back more than 1,000 years, but climate change has led to a decline in harvest volume and quality in recent years. To help address this challenge, experts from various industries, including Plzeňský Prazdroj, a.s. and software industry giant Microsoft Corporation, have joined forces to work on monitoring the behavior of hops. The project began by attaching sensors to the soil in the hop fields and to individual hop seedlings to collect data on precipitation, humidity, and soil nutrients. By developing software to process and

evaluate these data, we aim to help farmers with the expectation that an app will be made available to farmers advising them when and how much they should irrigate their hop plants, how to take care of them, all the way to the level of individual hop yards. Thanks to this, they will be able to avoid unfavorable developments. Hops are an essential ingredient in the production of beer. Through the “FOR HOPS” initiative, Plzeňský Prazdroj, a.s. intends to promote sustainable raw material procurement and contribute to the revitalization of communities in the Czech Republic, one of the world’s leading hop-producing countries.



▶ Realize Sustainable Communities through the Creation of People-to-People Connections ▶ **Activities**



Supporting Sustainable Agriculture through the Campus Peroni Project (Italy)

In 2018, Birra Peroni S.r.l., an Italian company under the umbrella of Asahi Europe and International Ltd., co-founded the Campus Peroni project to bring sustainable agriculture to a new generation. This project aims to ensure that beer will continue to be produced from 100% Italian-grown malt by improving quality and sustainability while creating a framework for barley cultivation that also generates innovation. Along with Birra Peroni S.r.l.'s malting factory, participants in Campus Peroni include the Council for Agricultural Research and Economics (CREA), agriculture departments at six Italian universities, and local barley producers, resulting in a multidisciplinary partnership. Organized around the three pillars of "Research," "Education," and "Interaction," the project continues to generate innovation and promote sustainable agricultural methods. Producers, researchers, educators, farmers, and students work together, with barley producers taking the lead in teaching students about barley cultivation techniques, the malting process, and contemporary farm management. The initiative is working to ensure that "Made in Italy" raw materials of unprecedented quality will remain available 50 years—even 100 years—into the future.



Agriculture Support Using By-products (Japan)

Asahi Biocycle Co., Ltd. is developing agricultural materials (fertilizer materials) derived from "▶Brewing Yeast Cell Walls," a by-product of beer brewing, for use in the cultivation of rice, sweet potato, and other products throughout Japan. Gifu Prefecture, in cooperation with JA Gifu, conducted an evaluation experiment to confirm whether the use of agricultural materials derived from "Brewing Yeast Cell Walls" in paddy rice cultivation can reduce the feeding damage to rice plants caused by *Pomacea canaliculata*. *Pomacea canaliculata* is an invasive species of snail known for damaging rice and other paddy crops. In adjacent rice paddies, approximately 20% of the rice that did not use the agricultural materials was damaged by *Pomacea canaliculata*, while almost no rice was eaten in the rice paddies that did use the agricultural materials. Since *Pomacea canaliculata* has a low tolerance to iron, it is thought that the agricultural materials enhanced

the immunity of the rice plants and allowed them to absorb more iron from the soil, which is necessary for their growth, thereby reducing the feeding damage. The reduction of feeding damage through the use of agricultural materials has expanded the potential of agricultural materials derived from "Brewing Yeast Cell Walls" to make a contribution.



The paddy fields that did not receive agricultural materials experienced 20% damage by *Pomacea canaliculata*.



The paddy fields where feeding damage was suppressed by the use of the agricultural materials.

▶ Realize Sustainable Communities through the Creation of People-to-People Connections ▶ Activities



Dairy Farmer Support Program (Malaysia)

Etika Dairies Sdn. Bhd. in Malaysia, which deals in dairy products, is an Asahi Holdings Southeast Asia Sdn. Bhd. group company. To support local dairy farmers, the company has a program that purchases raw milk at a stable price from farmers who supply raw milk with a certain quality and quantity. In addition to helping increase the productivity of current dairy farmers and the quality of the milk they produce, the program supports people who want to start dairy farming as a mechanism stabilizing the income of dairy farmers.

Basic Activity: Community Support Activities

Food

Local Issue Resolution and Revitalization Involvement through Sustainable Craft Beer (Japan)

Since 2021, Asahi You. Us, Ltd., a new company with a focus on sustainability business under the umbrella of Asahi Group Japan, Ltd., has been marketing a craft beer capable of contributing to the resolution of local issues as a way to informally put SDGs into practice in our daily lives. Coffee craft beers reduce waste by utilizing coffee beans that would otherwise have been discarded, while weizen-style beers use bread crusts left over from sandwich manufacturing as their main ingredient. By collaborating with local employment

support facilities and welfare facilities, these craft beer projects reduce local food loss while creating new value. In this way, we are involved not only in the resolution of environmental issues, but also in the creation of diverse employment opportunities for people with disabilities and the revitalization of local economies.



Barley-of-Hope Project (Japan)

Launched in 2013, the ☒ Barley-of-Hope project (Japanese only) is a collaboration between the Asahi Group and the Higashimatsushima Organization for Progress and Economy, Education, Energy (HOPE). This project is designed to assist with the reconstruction of Higashimatsushima City in Miyagi Prefecture, which was damaged by the Great East Japan Earthquake. To generate livelihood and festivity in the region, we have been cooperating with industry, government, academia, private organizations, and people in the community to cultivate, process, and sell barley utilizing land devastated by the disaster. Current management of this project has been transferred to HOPE, with local

farmers harvesting a 112 ton yield of barley in 2022 through the Barley-of-Hope Project. In November 2022, Asahi Breweries, Ltd. released *Clear Asahi Gift of Tohoku* (distribution limited to six prefectures in Tohoku), a beverage produced at our Fukushima Brewery using Barley-of-Hope and Yamagata hops.



Regional Environment

Forest Preservation Activities at Water-producing Sites (Japan)

Water is an important resource for local communities and plays a vital role in environmental preservation. In addition, it is an important raw material essential to the business of the Asahi Group. For this reason, and with the participation of our employees, we are proactively engaging in activities to conserve the forests in which water is nurtured.

Voluntary forest preservation activities at water-producing sites were started by Shikoku Brewery of Asahi Breweries, Ltd. in 2004 based on the idea of

▶ Realize Sustainable Communities through the Creation of People-to-People Connections ▶ **Activities**



“we will preserve the water that we use.” After this start, these activities were expanded to all breweries, and are currently being implemented at eight sites throughout Japan.

They also encompass the Forest of Nikka located near Yoichi Distillery, the Hokkaido Plant of The Nikka Whisky Distilling Co., Ltd.; the Sendai Plant of The Nikka Whisky Distilling Co., Ltd.; and Wakochan Forest of Asahi Group Foods, Ltd. in Yaita-shi, Tochigi Prefecture.

In 2017, we started new “Water Source Forest Conservation Activities” at Hokuriku plant, in 2019 at Okayama Plant and finally in 2021 at Gunma Plant, Akashi Plant, and Fujisan Plant. Overall, the Asahi Group had conducted 225 forest preservation activities in 15 locations in Japan by the end of 2022, including the participation of nearly 9,156 people.

Employees of breweries and Group companies as well as their families participate in forest conservation activities, which include tree-planting, grass-cutting, pruning, and thinning in cooperation with organizations, including local NPOs, forest owner’s cooperatives, and administrations. The creation and maintenance of forest roads necessary for such activities are also being conducted. Through these initiatives we are strengthening ties not only among our employees but also with local communities.



Planting during a forestation activity of the Hokuriku Plant of Asahi Soft Drinks Co., Ltd.

Common Global Community Support Activities

In 2022 the Asahi Group launched “RE:CONNECTION for the EARTH” as the Group’s first worldwide community support action with the goal of preserving local environments. In conjunction with World Environment Day on June 5, 2022, we began conducting various activities in every region of operations around the world, developed connections between employees and their respective localities, and helped address environmental issues in each region. We intend to continue implementing this initiative on an annual basis.

■ Japan

Through cooperation with an approved specified nonprofit organization in Shizuoka Prefecture, we implemented forest conservation and environmental education projects, and contributed to forest conservation through connections with local groups.



■ Europe

We conducted environmental improvement work at well-known local tourist destinations, including the Prague Zoological Garden and the Radotin Valley Nature Preserve, and developed the relationship between employees and their regions, as well as helped address social issues.



► Realize Sustainable Communities through the Creation of People-to-People Connections ► **Activities**



■ Oceania

We partnered with an environmental protection charity in New Zealand to clean up local beaches. Our relationship with this charity facilitated our involvement in the resolution of local environmental issues.



■ Southeast Asia

Our collaboration with a local university enabled us to conduct water quality conservation actions for local rivers attended by over 300 people, including university students. This initiative produced new connections with the local community and contributed to river water quality conservation.



■ Disaster Relief

Guided by the idea that it is important to get the necessary goods to the people who need them when they need them, the Asahi Group donates money and provides relief supplies and whatever else is needed in the event of a disaster.

COVID-19-related Activities

The Asahi Group is committed to supporting local communities around the world.

In order to support medical professionals on the front lines, those who support logistics and lifelines, and the many people who are suffering due to COVID-19, we are taking a variety of measures to support them by making the most of our products, services, and knowhow, depending on the situation in each region. We are also working on various measures and activities through the Group's business activities.

Support for Pubs from Plzeňský Prazdroj, a.s. (Czech Republic)

Plzeňský Prazdroj, a.s. in the Czech Republic, part of Asahi Europe and International Ltd., offered free advice and training on attracting customers through social media and the internet to Czech pub and restaurant operators facing reduced patronage due to the COVID-19 pandemic. By showcasing the effectiveness of digital promotions using sales data, Plzeňský Prazdroj, a.s. has helped many pubs use social media and the web to attract customers.

Flood Relief in Queensland and New South Wales (Australia)

Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia) Pty Ltd., supported venues that were damaged by the major floods in Queensland and New South Wales in February 2022. Asahi Beverages Pty Ltd. donated kegs and other products to impacted customers and offered extended credit terms to help them restart their operations. In addition to this customer support, Asahi Beverages Pty Ltd. donated bottled water to some impacted communities and matched donations from employees toward charitable organizations that were helping affected areas recover.

▶ Realize Sustainable Communities through the Creation of People-to-People Connections ▶ Activities



Activities in Other Areas

Providing Work Opportunities to Support Young People's Skill Development (Australia)

Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia) Pty Ltd., has been in partnership with Whitelion, a not-for-profit organization, since 2011. Whitelion assists at-risk youths by providing them support, training, and other services toward employment and skill development. Asahi Beverages Pty Ltd. worked together with Whitelion on various initiatives including fundraising events and volunteer activities in 2022.

Asahi Group Oyamazaki Villa Museum of Art*

Oyamazaki-sanso (Oyamazaki Villa) was built between the Taisho and early Showa eras by the late Kansai businessperson Shotaro Kaga. This villa reopened in April 1996 after being restored to its original condition along with a new Underground Jewelry Box annex designed by Tadao Ando. The museum exhibits various works of art, including pieces associated with folk-art movements and Claude Monet's *Water Lilies*. Located halfway up Mt. Tennozsan, visitors can enjoy magnificent views from the terrace and a beautiful garden that changes with the seasons. Our goal is to provide an art museum that serves the local community by hosting parent-child viewing receptions and educational

outreach activities as a way to further improve local cultural influence and convey the joy of art to others.

* The museum's name was changed on July 1, 2023



Asahi Group Arts Foundation (Japanese only)

This Foundation was established by Asahi Breweries, Ltd. in 1989 to commemorate its 100 year anniversary. In addition to providing effective, relevant assistance in the field of art, we carry out cultural projects such as Asahi Group Oyamazaki Villa Museum of Art in order to leverage our artistic assets while supporting artistic production.

Asahi Group Academic Promotion Foundation (Japanese only)

Founded in 1944 as the Dainippon Beer Science Research Institute, which later became the Brewing Research Institute, the Asahi Lifestyle Research and Promotion Foundation has primarily been supporting research in the fields of food life science and lifestyle since 1984. This Foundation's work expanded to support researchers in the fields of global environmental science in 1996, and sustainable socio-economics and environment-related work in 2006. In fiscal 2022 we provided 16 million yen of assistance to 17 projects.

In April 2023 the Asahi Group Academic Promotion Foundation merged with the Asahi Group Arts Foundation to create the Asahi Group Foundation as we seek to enhance our non-profit activities.

The Asahi Group Foundation inherits the philosophies of both foundations as we confront a diversifying range of social issues. With the goal of contributing to the creation of a sustainable, creative, and prosperous society, the Foundation promotes and supports artistic and cultural activity alongside academic research. Furthermore, we seek the continuous creation of new value through comprehensive business development in both fields.



**Contribute to Efforts to Reduce Inappropriate Drinking and
Promote the Sound Development of Alcohol Beverage Culture
through the Creation of New Drinking Opportunities**

Responsible Drinking

Alcohol has the power to bring delight and pleasure into our daily lives. On the other hand, inappropriate drinking habits can lead to a range of problems for individuals, their families, and society at large.

As a corporate group that manufactures and sells alcohol beverages, the Asahi Group is working to reduce inappropriate drinking habits while at the same time promoting activities that contribute to the sound development of alcohol beverage culture through the creation of new drinking opportunities. By doing so, the Group aims to create enjoyable lifestyles for people around the world.

Key Initiatives

Reduction in
Inappropriate
Drinking

- ▶ **Management**
- ▶ **Activities**

Solution of Alcohol-
related Issues
through Creation of
New Drinking
Opportunities

- ▶ **Management**
- ▶ **Activities**

► Basic Principles for Responsible Drinking



Policies

In order to realize the Asahi Group Responsible Drinking Principles, all Asahi employees recognize our responsibilities and act to reduce inappropriate drinking habits and contribute to the sound development of the alcohol beverage culture as members of a corporate group that manufactures and sells alcohol beverages.

Overview of the Asahi Group Responsible Drinking Principles

1 Awareness and Actions of Employees

As a member of a corporate group that manufactures and sells alcohol beverages, all employees will recognize that we have responsibilities and that we act accordingly.

2 Reduction and Prevention of Issues Caused by Inappropriate Drinking Habits

We will work to reduce drink driving, underage drinking, drinking during pregnancy and breastfeeding, binge drinking, and other issues.

3 Responsible Marketing Activities

We will comply with relevant regulations, industry standards, and internal policies of Asahi Group companies.

4 Appropriate Information Disclosure

We will disclose appropriate information to external parties; we will provide advice and messaging to consumers regarding responsible alcohol consumption; and we will work to disseminate correct knowledge.

5 Collaboration with Stakeholders

We will work in conjunction with a variety of stakeholders to reduce inappropriate alcohol consumption.

6 Development of Innovative Products

We will work to develop innovative products that contribute to the sound development of the alcohol beverage culture, by mobilizing the knowledge and technology of the Asahi Group while utilizing the gifts of nature.

only operating companies dealing in alcohol beverages, but other Group companies in Japan as well.

The Global Slogan “Responsible Drinking Ambassador”

To achieve the Asahi Group Responsible Drinking Principles, the Asahi Group created the global slogan “Responsible Drinking Ambassador” in 2020.

It was created to be shared among the employees of the Asahi Group as a way to be mindful of their respective missions. The slogan includes the word “ambassador” to communicate the idea that the first step toward achieving the Group’s Responsible Drinking Principles is each individual employee taking responsibility for their drinking behavior and acting in pursuit of the Principles.

To instill in each employee the awareness and knowledge that they must be an “ambassador,” we have begun efforts including the expansion of e-learning about responsible drinking for not

► Reduction in Inappropriate Drinking Key Initiatives



Management

Approach

Throughout the long history of humankind, alcohol has not only brought delight and pleasure into daily life, but has also played an important role in celebrations and commemorative moments. We take great pride in our role in the production and distribution of alcohol beverages. At the same time, inappropriate drinking habits can lead to a range of problems for individuals, their families, and society at large.

Guided by the Group's Responsible Drinking Principles, the Asahi Group seeks to reduce inappropriate drinking while resolving alcohol-induced social problems.

Governance

The Asahi Group holds a bimonthly Global Alcohol Policies Meeting with the Sustainability Section of Asahi Group Holdings, Ltd. taking on an administrative role and the officers and other persons in charge at the related Regional Headquarters attending. The meeting functions as a sustainability task force, with participants discussing actions to address alcohol-related problems throughout the Asahi Group and sharing successful initiatives. Through this system, we discuss ways to achieve the goal of responsible drinking. Additionally, in 2022, the Group's medium- to long-term orientation and objectives with respect to responsible drinking were discussed multiple times by the Corporate Strategy Board and Global Sustainability Committee,

and specific future-oriented actions were identified.

Concrete KPIs, both global and at the Regional Headquarters level, are debated at the Global Alcohol Policies Meeting. Once these KPIs are decided, each Regional Headquarters CEO keeps the Corporate Strategy Board updated on progress toward them through quarterly reports, with details to be discussed if necessary.

Additionally, based on our medium- to long-term orientation and objectives as well as the Group's Drinking Principles, each operating company identifies alcohol-related problems and consumer needs in its countries and regions of operation and develops concrete measures in response.

Risk Management

Inappropriate drinking can negatively affect both individual health and society as a whole. It is also possible that global regulations on alcohol sales will be tightened to a greater extent than the Asahi Group anticipates. Accordingly, we recognize the risk of harm to the Group's reputation and brand value as a manufacturer and seller of alcohol, and of negative impacts to our results and financial situation should consumer demand for alcohol contract.

Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis. Additionally, the Sustainability Section is constantly reviewing risks, working with industry groups like the International Alliance for Responsible Drinking (IARD) to gather information on potential future risks for the Asahi Group and the industry more broadly.



► **Reduction in Inappropriate Drinking** ► **Management**



Strategies

Guided by the Group's Responsible Drinking Principles, the Asahi Group seeks to reduce inappropriate drinking while remaining engaged in a variety of initiatives which take into account the issues facing each region of our operations.

In accordance with the Global Alcohol Action Plan 2022–2030 adopted by the World Health Organization (WHO) in 2022, we have established policies strengthening efforts to contribute to achieving global goal indicators set forth in the Plan, including efforts to reduce heavy episodic drinking and efforts to reduce pure alcohol consumption per capita by 2030.

We seek to demonstrate an ability to resolve the issue of inappropriate drinking through measures other than governmental regulations on marketing and sales activities or alcohol taxation. By promoting these measures, we strive for sound growth in the alcohol industry. This work requires constant dialogue with our various stakeholders as we work together to reduce the harmful use of alcohol throughout society and contribute to the resolution of specific issues.

Through these activities, we will reduce risk and create opportunities.

Metrics and Targets

In its activities, the Asahi Group works to establish a system preventing alcohol-related social problems and reducing the harmful use of alcohol. Internally, we work to ensure that our corporate culture practices responsible drinking.

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---|---|
| <ul style="list-style-type: none"> ● Achieve 100% participation rate of employees in at least one training program by 2023* ● Achieve 100% compliance with IARD Digital Guiding Principles by 2024 ● Display age restrictions on alcohol consumption on all products under alcohol beverage brands (including non-alcohol beverages sold under that brand) by 2024 | 3.5 |

*Scope of aggregation: Asahi Group Japan, Ltd., Asahi Europe and International Ltd., and Asahi Holdings (Australia) Pty Ltd.

Related Information > [Progress on Material Issue Initiatives \(in 2022\)](#)


Related SDGs



Related Information > [Activities \(Reduction in Inappropriate Drinking\)](#)

► Reduction in Inappropriate Drinking Key Initiatives

Activities

In order to realize the  Asahi Group Responsible Drinking Principles, we continue activities to increase all Asahi employees' awareness to ensure they stay up to date with correct knowledge and information about alcohol and health. We are also pursuing a number of initiatives to reduce inappropriate drinking as awareness-raising activities.

To reduce inappropriate drinking, we cooperate not only with other companies in the alcohol beverage industry and trade associations, but also with other industries and sectors while making efforts to resolve alcohol-related problems in society on a global level.

Educational and Awareness-raising Efforts to Encourage Appropriate Drinking among Consumers and Society

To encourage moderate and responsible drinking in society and among consumers, the Asahi Group is working on education and public awareness activities to increase knowledge about drinking and to help prevent and reduce alcohol-related issues such as drink-driving, underage drinking, drinking during pregnancy and breastfeeding, and binge drinking.

Each Group company works to develop these activities and initiatives effectively and globally to embody the Principles in conformity with the legal systems, culture, and customs in each country and region.

■ Activities to Reduce Drink-driving

Kompania Piwowarska SA, a subsidiary of Asahi Europe

and International Ltd., has implemented a campaign through social media to promote responsible drinking. This innovative campaign delivered the message that it is never acceptable to drink and drive.

The Implementation of Respect 18, a Program for the Prevention of Underage Drinking

Asahi Europe and International Ltd. implements the Respect 18 program, aimed at preventing underage drinking and strengthening the legal prohibition of the sale or provision of alcohol to underage people. The program is a regional, joint project involving Plzeňský Prazdroj, a.s., in the Czech Republic, Plzeňský Prazdroj Slovensko, a.s., in Slovakia, NGOs, and local governments.



Working with Social Change Organizations to Foster a Sound and Safe Drinking Culture

Asahi Beverages Pty Ltd. is proud to be a founding member and the largest industry contributor of DrinkWise, an Australian social change organization, supporting their work to promote generational change in the way Australians approach and consume alcohol. DrinkWise is a sophisticated, evidence-based organization that develops and implements a range of national information and education campaigns, as well as providing practical resources to help inform and support the community about alcohol use. In 2022 it launched a campaign to provide support for parents to discourage their children from underage drinking.

To underscore the importance we place on the work of DrinkWise, our Group CEO Amanda Sellers has recently joined the DrinkWise Board.

DrinkWise has also worked to highlight the Australian alcohol industry's significant zero-, low-, and mid-strength drink options, along with the reasons many consumers are choosing zero and lower-strength alcohol beverages and how these alternatives can be used by those who wish to reduce their pure alcohol consumption. These efforts are instrumental in demonstrating

▶ Reduction in Inappropriate Drinking ▶ Activities



how government, researchers, industry, and other stakeholders—working together in a whole-community approach—can lead to a sound and safe drinking culture in Australia.

Release of Video Content on Responsible Drinking

Asahi Breweries, Ltd. has released video content to help people enjoy alcohol beverages in an appropriate manner.

The content consists of five easy-to-understand episodes that explain what we know about alcohol beverages and responsible drinking. Asahi Breweries, Ltd. has also created content for restaurant workers, including videos that provide easy-to-understand explanations of how to serve customers to prevent drink-driving and underage drinking. These are provided to restaurants on request and are used for training staff.



Related Information Learn about alcohol beverages with Asahi Breweries, Ltd. "Have a great time with a precious person, and drink appropriately." (Japanese only)

Circulation of the Tool "What Would You Do? What Could Happen?—Learn about Alcohol Beverages"

As a part of its educational activities to prevent underage drinking (less than 20 years of age in Japan), Asahi Breweries, Ltd. developed in July 2007 an educational tool for elementary school students entitled, "What would you do? What could happen?—Learn about alcohol beverages." It is distributed without charge to anyone who requests it. This four-page handy brochure can be used to supplement classroom material or school educational activities.

The brochure was extensively revised in November 2017 to improve clarity and to create a more family-oriented tool with additional content for parents and guardians.

As of the end of December 2022, 850,168 brochures had been distributed to elementary, junior high, and senior high schools throughout the country.

In March 2008, the tool won the Outstanding

Performance Award in the Printed Material Division of the 6th Consumer Education Material Recognition Awards sponsored by Supporters for Consumers. In 2009, this tool received the Special Prize after being selected out of the 2008 Outstanding Performance Award winners.

Number of Circulation of the Tool

| 2018 | 2019 | 2020 | 2021 | 2022 |
|--------|--------|--------|--------|--------|
| 40,124 | 31,352 | 18,890 | 15,515 | 22,757 |

Note: The tool may be requested here. (Japanese only)

"Towards a Good Relationship with Alcohol," a Special Website

Asahi Breweries, Ltd. manages the website "Towards a Good Relationship with Alcohol" that can be accessed by all people who are interested in learning more about alcohol. By blending in text and illustrations from research case studies that are based on specific data, we oppose dangerous drinking patterns, and point out appropriate ways to enjoy alcohol in an easy-to-understand manner.

Appropriate Drinking Workshops for University Students

Asahi Breweries, Ltd. holds workshops which communicate accurate information regarding alcohol and ways for people with less experience to interact with it appropriately, through student-centered activities which seek to raise awareness about appropriate drinking.

In 2022 we worked on resolving issues through Smart Drinking with Rikkyo University students. The ideas that came out of this workshop are reflected in the videos

► Reduction in Inappropriate Drinking ► Activities



"Learning to Drink Appropriately" and "Let's Practice Smart Drinking!" which we publicized in February 2023.

Reinforcing Measures to Raise Employees' Awareness

The Asahi Group established its "Responsible Drinking Ambassador" global slogan to widely communicate the importance of appropriate drinking, encourage the practice of appropriate drinking in people's everyday lives, and pursue initiatives aimed at raising our employees' own awareness of the importance of responsible drinking.

Building a Global Training Platform

The Asahi Group created responsible drinking training content which Group employees around the world can utilize. We are working to raise employee awareness regarding inappropriate and appropriate ways of communicating and drinking, and strengthening communication with external stakeholders.

Asahi Group Japan, Ltd.

In 2016, Asahi Breweries, Ltd. launched an "e-Learning about Alcohol" program targeting all Asahi Breweries, Ltd. employees in Japan. In 2018 the program was expanded to cover all 11 alcohol-related subsidiaries of Asahi Breweries, Ltd. In 2020, the program was expanded to all non-alcohol subsidiaries, such as Asahi Soft Drinks Co., Ltd. and Asahi Group Foods, Ltd.,

and 13,948 people, almost equivalent to all of the employees* of the Asahi Group companies in Japan, have participated in the e-learning program in 2022.

*The employees in an environment where e-learning is possible

Asahi Europe and International Ltd.

Asahi Europe and International Ltd. provides all of its new employees with training regarding responsible drinking and updates this training every three years. Its employees engaging in marketing-related work are provided with e-learning programs to deepen their understanding of the company's marketing policies.

Asahi Holdings (Australia) Pty Ltd.

Asahi Holdings (Australia) Pty Ltd. has developed Responsible Drinking training materials for all of its employees and provides high-quality training materials to support its sales and marketing teams.

Responsible Marketing Activities

Compliance with National Marketing and Advertising Standards

In Oceania, Asahi Beverages Pty Ltd. is a signatory to the Alcohol Beverages Advertising Code (in Australia) and the Advertising Standards Authority (in New Zealand). We support the rules they have put in place to ensure alcohol is marketed responsibly to adults, and we work together to ensure these rules are also implemented in our marketing communications.

Third-party Monitoring

A third-party organization, the Alcohol Advertising Review Committee, regularly monitors alcohol advertising in Japan.

In addition, the local advertising councils that are external monitoring agencies monitor alcohol advertisements and issue annual reports in European countries for the purpose of ensuring ethical advertising.

Based on third-party monitoring, the Asahi Group ensures that it is responsible in its marketing activities.

Developing Voluntary Standards and Policies

The Asahi Group has directed its marketing activities to encourage moderate and responsible drinking and to reduce inappropriate drinking. Based on the "Asahi Group Responsible Drinking Principles," each operating company develops a policy and voluntary standards in conformity with the legal systems, culture, and customs in each country and region, and develops responsible marketing activities globally.

- Related Information**
- [Asahi Breweries, Ltd. Voluntary Advertising Standards](#)
 - [Asahi Europe and International Ltd. Policy on Commercial Communication](#)
 - [Asahi Holdings \(Australia\) Pty Ltd. Responsible Marketing and Advertising](#)
 - [Examination of Labeling and Expressions](#)

► Reduction in Inappropriate Drinking ► Activities



Initiatives in the Field of Digital Marketing

The Asahi Group works with other affiliate companies of the International Alliance for Responsible Drinking (IARD) to prevent underage people from viewing alcohol-related websites and social media content in the increasingly visible digital field based on the alliance's Digital Guiding Principles.

Specifically, on websites and social media brand sites, we take action on the following five items.

<Five Initiatives Based on the IARD Digital Guiding Principles>

1. Age-affirmation mechanism (Age Gate, confirming that a visitor is of legal age before viewing information related to alcohol beverages)
2. Statement by the brand owner of the site (explicitly stating that the site is an official site)
3. Warning that inappropriate user posts will be deleted (User Generated Content; "UGC")
4. Descriptions prohibiting sharing with minors (Forward Advice Notice; "FAN")
5. Message calling for moderate and responsible drinking (Responsible Drinking Message; "RDM")

Cooperation with Other Companies in the Alcohol Beverage Industry and Alcohol Trade Associations

Cooperation with International Alliance for Responsible Drinking (IARD)

The Asahi Group has long recognized the necessity of taking initiatives from a global perspective instead of viewpoints alone in one country. In 2001, Asahi Breweries, Ltd. joined the International Center for Alcohol Policies (ICAP), an international NPO, and has since been striving to solve alcohol-related problems by proposing policies and taking other measures in cooperation with other companies in the alcohol beverage industry and alcohol trade associations.

To create opportunities for leading alcohol producers and alcohol production unions worldwide to engage in dialogue with WHO, in January 2015, ICAP integrated with the Global Alcohol Producers Group, which was established in 2005, to become IARD. IARD is involved in projects mainly concerned with appropriate drinking awareness activities, research regarding alcohol measures in different countries, the publishing industry, and organizing forums.

The Asahi Group, along with 13 other global alcohol beverage producers, is an affiliated member of IARD dedicated to realizing the IARD Producers' Commitments.

IARD Producers' Commitments

1. Reducing underage drinking
2. Reducing drinking and driving
3. Strengthening and expanding marketing codes of practice
4. Providing customer information and responsible product innovation
5. Enlisting the support of retailers to reduce harmful drinking.

IARD's Primary Activities

In September 2018, IARD issued a report on initiatives related to prevention of harmful drinking and strengthening of voluntary industry standards. The report introduces the education activities of Asahi Breweries, Ltd. to raise awareness about the harms of underage drinking (less than 20 years of age in Japan) and Asahi Europe and International Ltd.'s initiatives to discourage pregnancies from drinking alcohol. The marketing policies of Asahi Europe and International Ltd. are also covered.

In November 2019, IARD began collaborating with Facebook, Instagram, Snapchat, YouTube, and other digital platforms to build safeguards to prevent underage people from viewing alcohol ads. IARD and the digital platforms have worked together to begin implementing a system which enables users to opt out of alcohol-related advertising. IARD calls on other digital platforms to consent to and follow these activities for responsible marketing.

In January 2020, the 12 IARD member companies* released a joint statement: "Actions to accelerate

▶ Reduction in Inappropriate Drinking ▶ Activities



reductions in underage drinking.” The Asahi Group, in conjunction with IARD and its member companies, will tackle the following five specific actions.

*IARD membership rose to 14 at the end of 2022, when two more companies joined.

Actions to Accelerate Reductions in Underage Drinking

1. By 2024, we will introduce a legal age-restriction symbol or equivalent words on all of our alcohol brand products (including on alcohol-free extensions of alcohol brands).
2. We do not, and will not, market alcohol-free extensions of alcohol brands to minors.
3. We will implement online safeguards to prevent minors from seeing or interacting with our alcohol brands online.
4. We will invite retailers, wholesalers, and distributors to work with us to determine how to implement best-practice initiatives globally relating to age verification.
5. We will invite online retailers and delivery services to join us in developing global standards for the online sale of alcohol.

In January 2021, IARD issued a joint statement together with e-commerce platforms and delivery companies regarding a new global alliance to promote the responsible sale and delivery of alcohol online. As the e-commerce market expands, underage drinking is increasingly posing a problem. The goal of the alliance is to prevent underage people from purchasing alcohol beverages online and to provide strong standards for the

responsibility to prevent harmful drinking. By the end of 2022, 18 companies had agreed to this measure, with IARD aiming to further expand business partnerships in the future. IARD also assists partner companies by providing training tools to help delivery companies prevent the distribution of alcohol to underage and intoxicated people.

In September 2021, IARD published the Influencer Guiding Principles as part of the development of new global standards. The goal is to strengthen responsible marketing practices in digital media, and a set of standards for marketing with influencers has been developed. These include ensuring that influencers used in marketing are at least 25 years old and provide age verification for their media outlets, as well as controlling what they say and do regarding alcohol beverages to ensure that it is appropriate. We will partner with 13 (as of the end of 2022) of the world’s leading advertising agencies, PR agencies, and influencer agencies to promote and disseminate these standards.

- Related Information**
- International Alliance for Responsible Drinking (IARD)
 - IARD’s progress report “Producers’ Commitments”
 - IARD joint statement: Actions to accelerate reductions in underage drinking
 - IARD joint statement: “New global alliance formed to promote the responsible sale and delivery of alcohol online”
 - Global standards for online alcohol sales and delivery
 - Global standards for influencer marketing

Cooperation with the Brewers Association of Japan

In collaboration with the Brewers Association of Japan, which includes five Japanese beer producers, Asahi Breweries, Ltd. advances various efforts such as the encouragement of appropriate drinking.

In 2005, the Brewers Association of Japan launched a project discouraging people under 20 from drinking alcohol. The project was endorsed by five major beer producers in Japan.

The Hodoyoi Joshi Project was launched in 2017 to encourage women to limit their alcohol intake to a moderate level. A program supporting and raising awareness of women’s appropriate drinking is provided to participating companies, with the goal of helping today’s women ensure they maintain proper knowledge of alcohol and establish and maintain an enjoyable, appropriate, and moderate relationship with alcohol.



Logo of “STOP! Underage Drinking (less than 20 years of age)”

Cooperation with the Brewers of Europe

Asahi Europe and International Ltd. is a permanent Brewers of Europe council member, a not-for-profit association in the European brewing sector. As such, Asahi Europe and International Ltd. fully promises to tackle the serious issue of alcohol misuse in cooperation with national governments, local authorities, health professionals, road safety agencies, civil society, and industry partners. European beer brewers are

▶ Reduction in Inappropriate Drinking ▶ Activities



implementing the revolutionary #ProudToBe-Clear initiative with the goal of enhancing the transparency of ingredient and calorie labeling to enable consumers to make fact-

based choices when purchasing products. Asahi Europe and International Ltd. has also signed on to this initiative.



Cooperation with Industry Organizations in Australia

Asahi Holdings (Australia) Pty Ltd. is a member of the Brewers Association of Australia, the peak body representing Australia's leading beer makers and, more broadly, beer drinkers across Australia. It is a leading voice for sensible, responsible, and workable policy solutions on alcohol use and promotion in Australia.

We are also proud to be a founding member and largest industry contributor of DrinkWise, supporting their work to promote generational change in the way Australians approach and consume alcohol. To underscore the importance we put on the work of DrinkWise, in 2021 Asahi Holdings (Australia) Pty Ltd.'s Group CEO Amanda Sellers was appointed to the DrinkWise board of directors.



Disclosure of Research Findings on Alcohol

The Asahi Group conducts research on alcohol metabolism and its physiological impacts, aiming to prevent social and health problems caused by drinking and build a better drinking culture. We are proactive in disclosing these research findings externally to make our efforts widely known among our stakeholders and receive the understanding and opinions of researchers specializing in physiological and medical research on alcohol.

We will continue to analyze in detail how the individual constitution and conditions of alcohol intake affect alcohol metabolism and the change in physiology, and we will educate our customers on moderate and responsible drinking based on those findings.

Related Information [Research findings \(Japanese only\)](#)

Joint Research with University of Tsukuba to Reduce Inappropriate Drinking

Asahi Breweries, Ltd., a subsidiary of Asahi Group Japan, Ltd., began a joint research project with the University of Tsukuba in January 2022 with the aim of solving social issues related to inappropriate drinking. The 2022 study, based at the university's Lifestyle Innovation Research and Development Center, examined how providing non-alcohol beverages would affect excessive drinking. From these results, we found that providing non-alcohol beverages reduces pure alcohol consumption and is highly useful in

forming more appropriate drinking habits.

Moving forward, we plan to continue working toward issue resolution by understanding the entire behavioral process of heavy drinkers, with the goal of creating more appropriate drinking habits among heavy drinkers through the use of non-alcohol beverages.

▶ Solution of Alcohol-related Issues through Creation of New Drinking Opportunities Key Initiatives



Management

Approach

In compliance with the Asahi Group Responsible Drinking Principles, the Asahi Group assembles its knowledge and skills to develop novel, innovative products and create new opportunities for drinking.

We bring innovation to the relationship people have with alcohol and contribute to the sound development of an alcohol culture which occupies a part of people’s fulfilling lives. We maintain our commitment to the resolution of social problems that result from inappropriate drinking in pursuit of a society with fewer alcohol-related problems.

Governance

Related Information [Governance \(Reduction in Inappropriate Drinking\)](#)

Risk Management

Related Information [Risk Management \(Reduction in Inappropriate Drinking\)](#)

Strategies

Guided by its Responsible Drinking Principles, the Asahi Group seeks to reduce inappropriate drinking while engaging in a variety of initiatives which take into account the issues facing each region of our operations.

In accordance with the Global Alcohol Action Plan 2022–2030 adopted by the World Health Organization (WHO) in 2022, we have established policies strengthening efforts to contribute to achieving global goal indicators set forth in the Plan, including efforts to reduce the heavy episodic drink, and to reduce pure alcohol consumption per capita.

We seek to demonstrate an ability to resolve the issue of inappropriate drinking not only through governmental regulations on marketing and sales activities and alcohol taxation, but also by promoting our own voluntary measures. In doing so we strive for sound growth in the alcohol industry. These efforts require us to assemble knowledge and technology from across the Asahi Group as we work to propose new options by developing and expanding non- and low-alcohol product lineups. Through the expansion of new drinking opportunities, we seek to reduce inappropriate drinking and contribute to the resolution of specific issues.

Through these activities, we will reduce risk and create opportunities.

Metrics and Targets

The Asahi Group works to ensure that its non- and low-alcohol beverages become the choice of customers, beyond just being an alternative, to encourage appropriate drinking.

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|--|---|
| <ul style="list-style-type: none"> Achieve 15% sales composition ratio of non-alcohol and low-alcohol beverages to major alcohol beverage products* by 2025 | 3.5 |

*Beer-type beverages, RTDs, non-alcohol beverages

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|---|
| AGJ | <ul style="list-style-type: none"> Achieve 20% non-alcohol and low-alcohol sales composition ratio by 2025 | 3.5 |
| AEI | <ul style="list-style-type: none"> Achieve 20% share of non-alcoholic products in our portfolio by 2030 | |
| AHA | <ul style="list-style-type: none"> Plan to achieve 30% non-alcohol and low-alcohol sales composition ratio across beer portfolio by 2025 | |

Related Information [Progress on Material Issue Initiatives \(in 2022\)](#)

Related SDGs



Related Information [Activities \(Solution of Alcohol-related Issues through Creation of New Drinking Opportunities\)](#)

▶ Solution of Alcohol-related Issues through Creation of New Drinking Opportunities

Key Initiatives

Activities

The Asahi Group will continue to recommend new options to provide solutions to social problems resulting from inappropriate drinking.

Development and Marketing of Non- and Low-alcohol Beverages

The Asahi Group works to ensure the diversity of its alcohol operations in accordance with its policy of expanding the development and marketing of non- and low-alcohol beverages in the regions where the Group has alcohol businesses.

Strengthen Sales of Non-alcohol Products Such as *Asahi Dry Zero*

Asahi Breweries, Ltd. is focusing on products with an alcohol content of 0.00%, including non-alcohol beers such as *Asahi Dry Zero* and bitter-tasting non-alcohol beverages such as *Asahi Style Balance Plus*.

Since its launch in February 2012, *Asahi Dry Zero* has earned a strong reputation for having a flavor that is typical of beer. It has remained a top-seller in the Japanese non-alcohol beer-flavored beverage market for the seven consecutive years since 2015.*



Since its launch in 2015, the *Asahi Style Balance Plus* series, non-alcohol cocktail-flavored beverages, has also developed a diverse lineup, including functional foods containing non-digestible dextrin (dietary fiber), which mainly functions to reduce the absorption of fat and sugar in meals, and products containing collagen and vitamin C.

*INTAGE's SRI survey on cumulative sales in the non-alcohol beer-flavored beverage market divided into seven different channels, conducted from January 2016 to December 2022 (combining figures from supermarkets, convenience stores, discount liquor stores, general liquor stores, professional-use liquor stores, drug stores, and DIY stores)

Expansion of Minimal alcohol Products such as *Asahi Beery*

As part of the "Smart Drinking" activity started in 2021, Asahi Breweries, Ltd. launched a new category of "minimal alcohol" products which taste similar to alcohol beverages. The first product to be launched was *Asahi Beery*, a low-alcohol beer with an alcohol content of 0.5%. Later we launched *Bispa*, a wine-flavored beverage with 0.5% alcohol content. In light of recent changes in consumption values and lifestyles, these products are offered to customers, regardless of gender or age, who aspire to "enjoy alcohol beverages at their own pace" and



"enrich their lives by choosing drinks that are appropriate for them according to the occasion." We will continue to expand our product lineup while seeking to create demand.

Global Development of *Asahi Super Dry 0.0%*

In January 2023, Asahi Europe and International Ltd., which is responsible for the development of global brands in the Asahi Group, began worldwide sales (excluding Japan) of *Asahi Super Dry 0.0%* non-alcohol beer. Initially launched in the United Kingdom and Ireland in January 2023, sales are planned to expand to eight countries including Australia, France, Sweden, the United States, Canada, and New Zealand. The company has adopted a new dealcoholization process for *Asahi Super Dry 0.0%*, which maintains the brand's signature "super dry" concept, offering a smooth, crisp taste with 0.0% alcohol content. The company is developing global promotions utilizing a wide variety of digital and social media channels while working to increase brand awareness and propose drinking habits that encourage responsible alcohol consumption.



▶ Solution of Alcohol-related Issues through Creation of New Drinking Opportunities ▶

Activities



Peroni Nastro Azzurro 0.0%

In April 2022, Asahi Europe and International Ltd. has launched *Peroni Nastro Azzurro 0.0%*, a non-alcohol beer from the Peroni Nastro Azzurro global brand created in Italy, in 28 countries. *Peroni Nastro Azzurro 0.0%* is made from ingredients grown exclusively for Peroni Nastro Azzurro in the north of Italy, bringing out the brand's characteristic aroma and flavor and creating a refreshing Italian taste.



Developing a 3.5% Alcohol Content Asahi Super Dry and More

Asahi Holdings (Australia) Pty Ltd. released *Asahi Super Dry 3.5%* in Australia in July 2022. The market for so-called "mid-strength" beers with around 3.5% alcohol content in Australia is expanding, and this product was developed to meet that growing demand. Importantly, it maintains the signature characteristics of *Asahi Super Dry*, a flagship 5% alcohol content beer released in Japan in 1987. In July the company also launched *Peroni Nastro Azzurro 0.0%* and *Peroni Nastro Azzurro 3.5%* under Italy's classic *Peroni Nastro Azzurro* beer brand.



Advocating for Diversity in Drinking

Smart Drinking Declaration

In 2020, Asahi Breweries, Ltd. issued the Smart Drinking Declaration, stating its will to provide an array of products with unprecedented conceptual diversity, to enable our customers to choose the alcohol and non-alcohol beverages best suited to their particular moments when they would like to have fun. "Smart Drinking" involves the development of products and services and environments for enjoying them in ways that help offer more drinking choices appropriate for more diverse groups of people and situations, including people who drink, do not drink, can drink and cannot drink alcohol, and including times when people choose to drink, choose not to drink, or are unable to drink alcohol. Smart Drinking is meant to build a society that embraces diversity. More specifically, the following actions have started in 2021.



<Activities>

1. The Asahi Breweries, Ltd. website discloses the absolute amount of alcohol in grams contained in the main alcohol products commercially available from Asahi Breweries, Ltd. in Japan. In addition, we display the pure alcohol content in grams on cans of beer, ready to drinks (RTDs) (canned chuhai, etc.), and low-alcohol beers manufactured and sold in Japan. By displaying in

Carlton Zero and Great Northern Series

Asahi Holdings (Australia) Pty Ltd. has Australia's leading range of zero-, low-, and mid-strength beers for beer lovers wishing to moderate their alcohol consumption.

This range includes Australia's most popular beer, *Great Northern Super Crisp*, Australia's most popular non-alcohol beer in bottleshops, *Great Northern Zero*, and *Carlton Zero*, which has played a leading role in helping drive the trend towards moderation since launching in 2018.

In 2022, non- and low-alcohol beers made up 26.8% of our beer portfolio in Australia and New Zealand. This is a reflection of the important role we play in contributing to a responsible drinking culture in Oceania.

▶ Solution of Alcohol-related Issues through Creation of New Drinking Opportunities ▶

Activities



grams the absolute amount of pure alcohol in a product, Asahi Breweries, Ltd. ensures that customers are able to choose a suitable alcohol product.

2. Asahi Breweries, Ltd. is aiming to have low-alcohol products containing 3.5% or less alcohol and non-alcohol beverages reach a 20% composition ratio in its total sales volume of beer, RTDs, and non-alcohol products by 2025.

Developing a Bar Where Drinkers and Non-drinkers Alike Can Have Fun

Smart Drinking Co., Ltd. opened Sumadori Bar Shibuya in Japan in June 2022 as a place where everyone can go and have fun, even people who don't drink alcohol. Sumadori Bar Shibuya offers over 100 menu options, including craft beverages with 0%, 0.5%, and 3% alcohol, providing drinks which accommodate each customer's physical constitution and taste. In addition to providing a place to experience a wide variety of drinking styles and communicate information, this bar enables us to develop products and services by analyzing the needs, preferences, and drinking styles of customers of different genders and age groups who cannot or do not drink.

As part of the Shibuya Smart Drinking Project, a collaboration with Shibuya ward affiliate organization Future Design Shibuya, we also hold various types of seminars, workshops, and information events aimed at raising awareness regarding appropriate drinking for university students. These efforts are based on concepts pulled from our Smart Drinking initiative and are held at Shibuya ward universities and Sumadori Bar

Shibuya. The bar also features an event space where we hold various functions such as lectures on ways of drinking alcohol and workshops to consider new drinking habits. There are numerous reasons why some people don't drink alcohol. We are continuing to seek out ways to contribute to appropriate drinking habits by responding to the individual feelings and physical conditions of drinkers and non-drinkers alike, and fostering a culture of mutual respect for individual drinking preferences.



Note: The multilayered, multicolored marble pattern that makes up the Sumadori Bar Shibuya's logo is an expression of the diversity that exists wherever people can comfortably gather as equals and enjoy a drink in each other's company.





Become a Close Part of People's Healthy Lifestyles

Health

The Asahi Group believes that a healthy mind and body enable individuals to more deeply engage in fulfilling lifestyles. As a company that is deeply involved in food life, we aim to contribute to human health through our products and services utilizing the diverse technologies of the group.

Initiatives

- ▶ Create Value of Health
 - ▶ **Management**
 - ▶ **Activities**

▶ Create Value of Health Initiatives



Management

Approach

As consumers grow more conscious about their health, their tendency to prefer healthy food is also growing.

The Asahi Group aims to contribute to people's health through its products and services by utilizing knowledge and technologies accumulated so far in its history. More specifically, we will increase our added value by leveraging our specialist knowledge in yeast, lactic acid bacteria, and microorganisms, among many other areas. We are also working to deliver health-conscious products and services, such as by reducing the negative health impact of excessive sugar intake from our products.

Governance

As a food and beverage company, the Asahi Group considers "Health" to be an essential part of its efforts, with the creation of health value playing a central role in the growth of its business.

Our efforts to address the material issue of "Health" fall into two main areas. The first is reducing health risks caused by excessive consumption of specific ingredients, while the second is creating new health value through research into subjects such as yeast and lactic acid bacteria. Moreover, health concerns related to alcohol are managed under the material issue of "Responsible drinking," while health concerns related to product quality have been separated from "Sustainability" and are managed under the Group's quality assurance system.

Strategies for the entire Asahi Group are determined

by Asahi Group Holdings, Ltd.'s management system. Specific initiatives to address these strategies fall under each operating company's respective business operations and are thus administered as part of the normal operational management process for each company.

Beginning in 2023 we incorporated health-related content into the new Group Guidelines. In this way we demonstrate our efforts toward consumer health and work to further unify our objectives throughout the Group.

Risk Management

The Asahi Group recognizes that negative health impacts from excessive sugar intake and delays in responding to global tightening of sugar regulations pose risks to the management aspects of our Group. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by divisions such as the Sustainability Section of Asahi Group Holdings, Ltd. and Regional Headquarters, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

As consumers become more health conscious, they are also becoming more selective about their product choices. In addition, concerns about the health risks caused by excessive consumption of specific ingredients have prompted governments around the world to introduce taxes and marketing regulations on products that use ingredients such as sugar. The Asahi Group will constantly

be on the lookout for signs of social trends while taking the measures necessary to address risks and opportunities related to product development and marketing.

We are also moving forward with research into the potential health benefits of our Group's unique ingredients, including yeast and lactic acid bacteria, as well as developing products that connect our knowledge of fermentation technology with our consumers' emerging needs. In this way we seek to expand the range of products that can provide new health value.

Metrics and Targets

The goal is to offer the products of the Asahi Group's accumulation of core research and technologies on fermentation, lactic acid bacteria, and other areas, to people around the world in pursuit of a contribution to consumer health.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|--|
| AGJ | Achieve sales targets for Foods for Specified Health Uses, Foods with Functional Claims, and healthcare products ^{*1} | 3.2/3.4 |
| AGJ | Achieve sales targets for the low-volume series, ^{*2} which advertises value of health | |
| AHSEA | Maintain the quantity of added sugar contained in 70% of RTD products in Malaysia to 5 g or less per 100 ml | |

*1 Target products: *Karada Calpis®Bio*, *Asahi JUROKUCHA Tou to Shibou ni Hataraku*, etc.

*2 Target products: *Todoku Tsuyosa-no Nyusankin*, *Mamoru Hataraku Nyusankin*, etc.

▶ Create Value of Health ▶ Management



Related SDGs



- ▶ Related Information > Providing Health Value through Products
- ▶ Health-conscious Activities for Stakeholders

▶ Create Value of Health

Activities

Providing Health Value through Products

Leveraging the strengths and knowhow accumulated in its business operations, the Asahi Group is committed to offering solutions to health-related problems through its products.

Products that Offer Health Value Utilizing Research on Yeast, Lactic Acid Bacteria, and Other Topics

The Asahi Group's various operating companies have accumulated extensive resources and knowledge since their founding. In the beer business, we have developed yeast and fermentation techniques necessary for brewing beer over 400 years in Europe, 150 years in Oceania, and more than 130 years in Japan. In the soft drinks business, our technical strengths have accumulated through efforts such as more than 100 years of research into lactic acid bacteria for Calpis®. With consideration for customers' health needs, the Asahi Group is committed to making products with an appeal in health value by utilizing its accumulated proprietary technologies relating to yeast, lactic acid bacteria, and other areas.

Karada Calpis® Bio: Useful in Reducing Body and Organ Fat for People with High BMI

Lactic acid bacteria have the potential to contribute to health in various forms. Asahi Soft Drinks Co., Ltd. has succeeded in the development of a product using a unique ingredient derived from the lactobacillus strain CP1563,

which can be expected to help reduce body fat, for which there is a strong need in modern society. This product was launched in April 2017 as *Karada Calpis®*. In 2022, we launched *Karada Calpis® Bio*, which has all the benefits of the existing *Karada Calpis®* plus the ability to improve the condition of the digestive tract. Through the Calpis® brand, which has gained familiarity among customers over many years, we are proposing ways to enable consumers to improve their health casually on a daily basis.



Calpis®-derived Lactic Acid Bacteria Science Series: Utilizing the Action of Lactic Acid Bacteria

This series is based on a century of Calpis®-derived lactic acid bacteria research. Products in this series are sold as foods with function claims, and offer customers individual functions such as maintaining immune function for healthy people, improving sleep quality (depth of sleep), lowering high blood pressure, and helping to reduce body fat.



Mamoru Hataraku Nyusankin W200 (W is read as "double")



Todoku Tsuyosa-no Nyusankin W200 (Foods with Function Claims)



Ameal W (Foods with Function Claims)



Lactsmart (Foods with Function Claims)

Asahi JUROKUCHA Tou to Shibou ni Hataraku: Suppresses Absorption of Sugar and Fat

Asahi JUROKUCHA Tou to Shibou ni Hataraku from Asahi Soft Drinks Co., Ltd. contains dietary fiber derived from corn and other sources and is sold as a food claiming the function of suppressing the absorption of sugar and fat (effects of isomaltodextrin). Ingredients, roasting, and preparation methods are carefully considered for the unique case of a blended tea to create a crisp, drinkable flavor.



Development of Supplements and Designated Quasi-drugs Utilizing Yeast and Lactic Acid Bacteria Research

Asahi Group Foods, Ltd. has launched *Mental Support Cocokara Care* containing CP2305 gasseri bacteria, which helps alleviate daily mental stress and improve sleep quality (depth of sleep) and the intestinal environment, as well as *Kotsu Kotsu Care*, which contains the *Bacillus subtilis* C-3102 strain, said to help increase bone density, which decreases with age, and improve the intestinal environment (intestinal flora) by increasing the population of the probiotic bacteria (bifidobacteria, roseburia) found in healthy intestines, utilizing technology discovered through microbiological research derived from the lactic acid drink Calpis®. Asahi Group Foods, Ltd. is also developing *EBIOS Tablets* derived from dried yeast (brewer's yeast) and the *EBIOS Intestinal Pill*, which combines dried yeast with three types of lactic acid bacteria. By utilizing useful microorganisms such as lactic acid bacteria and yeast,

▶ Create Value of Health ▶

Activities



we will continue to develop products that contribute to a healthy lifestyle and improve quality of life.

**Products with Reduced Sugar Content**

While poverty continues to be a global social issue, the numbers of people suffering from illnesses such as diabetes are also increasing. The World Health Organization (WHO) views this issue seriously, and since 2016 has been calling for various countries to reduce consumption of sugar such as through taxation on drinks containing added sugar.

The Asahi Group has been conducting research and product development to reduce the amount of sugar used in its products. Our beverage businesses in Asia, Oceania, and elsewhere are expanding their non-sugar and low-sugar product lineups to match the situations and needs of local customers. We are promoting these products to customers through advertising and other activities.

Activities in Australia

As a member of the Australian Beverages Council, Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia) Pty Ltd., is committed to the industry's sugar reduction pledge. The beverages industry's major

manufacturers initially set a goal of reducing sugar across their non-alcohol beverage portfolio by 20% from 2015 to 2025. However, the industry wanted to be more ambitious, so upgraded this goal in 2022 to a 25% reduction from 2015 to 2025. We will continue to further strengthen our sugar reduction efforts and provide consumers with more choices by offering a wide range of non- and low-sugar non-alcohol beverages.

**Activities in Malaysia**

Asahi Holdings Southeast Asia Sdn. Bhd. (AHSEA) is committed to giving its consumers a healthier choice of beverages by reducing their sugar content. This is through reformulating 70% of its ready-to-drink (RTD) products in Malaysia, Singapore, and Brunei to contain 5 grams or less of sugar per 100 milliliters. The company set this target in 2021 and increased its range of low-sugar and non-sugar beverages in cooperation with Etika Beverages Sdn. Bhd. and Etika Dairies Sdn. Bhd. Popular RTD products such as *Pepsi Black*, a non-sugar carbonated beverage, and *WONDA Zero Max*, a non-sugar RTD coffee, are part of a product portfolio gaining acceptance by local consumers. AHSEA R&D is progressively rolling out non-sugar and lower-sugar

products through new formulations from its R&D lab and its collaboration with PepsiCo. In 2022, the proportion of the company's RTD products containing 5 grams or less of sugar per 100 milliliters reached 84%.

**Development of Products that Contribute to the Reduction of Salt Content**

In response to the risks posed by excessive salt intake, WHO has also advised member states to launch activities to reduce salt intake. Asahi Group Foods, Ltd. has added low-sodium products to its lineup of freeze-dried products under the Amano Foods brand: *Itsumo no Omisoshiru*, *Uchi no Omisoshiru*, *Kyo no Supu*, *Nyumen*, and *Magokoro Ippai*.

The yeast extracts sold by Asahi Group Foods, Ltd. are also used in a wide range of fields, including food and health food products, because their addition enhances the original flavor of ingredients and makes them even more delicious.



▶ Create Value of Health ▶

Activities

Contribution to Healthy Lifestyle Habits among Elementary School Students through Malaysian Dairy Product Business

Alongside its soft drinks business, Asahi Holdings Southeast Asia Sdn. Bhd. acquired a dairy product business in 2014. This business brought with it *Goodday*, a milk brand that is central to our efforts to strengthen our operating foundations in this business. Through such efforts, the AHSEA group has succeeded in becoming a major supplier of milk brands in Malaysia by expanding its lineup beyond just plain milk to also include chocolate, strawberry, banana, and other flavored milk.

With the milk portfolio in hand, AHSEA has also been utilizing the *Goodday* brand to help foster health awareness among its consumers especially towards children, through education and encouraging habitual daily milk consumption. AHSEA will continue building upon the brand equity of *Goodday* as it engages in proactive initiatives for promoting health improvement, which are garnering much social attention.



Development of Nursing Care Food for Older Adults with Reduced Ability to Chew and Swallow

In 2001, Asahi Group Foods, Ltd. drew on the expertise it had cultivated in baby food to enter the adult care

market with the *Balance Kondate* series of vacuum-packed nursing care food designed with consideration for those of reduced ability to chew and swallow.

The products of the *Balance Kondate* series meet the Universal Design Food standard the Japan Care Food Conference, which comprises of a 4-stage categorization from "Easy to chew" to "No need to chew." Each category has an upper limit of hardness and lower limit of viscosity, and the series offers a full lineup for each. In addition, the company is developing recipes with attention to taste and appearance, placing priority for older adults whose ability to chew and swallow has reduced to enjoy their meals as well as before.

Health-conscious Activities for Stakeholders

As a company involved in food, the Asahi Group conducts a diverse array of health-conscious activities for all its stakeholders.

CALPIS® Children's Lactobacillus Laboratory

Asahi Soft Drinks Co., Ltd. conducts CALPIS® Children's Lactobacillus Laboratory visiting classes for elementary schools where employees serve as the instructors. The classes are run for fifth- to sixth-year elementary school students on the subject of Calpis®, Japan's first lactic acid drink. This is a type of food education program where the instructors teach the students about the behavior and fermentation of microorganisms such as lactobacilli and yeast, and the students learn while making full use

of their five senses, including tasting ingredients and observing lactobacilli.

Each employee engages with children, directly communicating with the group members and helping them deepen their knowledge together. In the "future discussion" section, the children exchange opinions with the employees and use their knowledge of fermentation learned in the class to consider future ideas and present them. These classes have been well received by elementary schools as a kind of career education.

The activity earned Asahi Soft Drinks Co., Ltd. a Judging Committee Encouragement Award as part of the 2019 Awards for Promotion of Experience-based Learning Activities for Young People (operated by the Ministry of Education, Culture, Sports, Science and Technology).

Number of Participants in CALPIS® Children's Lactobacillus Laboratory

| 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|----------------------------|-----------------------|------|--------------------------|
| 42 venues/ 2,396 people | 40 venues/ 2,427 people | 1 venue/ 31 people | — | 19 venues/ 858 people |

Note: Due to COVID-19, the laboratory was inactive from February 2020 to May 2022.



▶ Create Value of Health ▶

Activities



Asahi Soft Drinks Fermentation Culture Classroom

In response to the impact of the spread of COVID-19, in July 2021 we launched the Asahi Soft Drinks Fermentation Culture Classroom, a new dietary education program for people to learn about local fermented foods conducted in an online format, using *Calpis*® as the subject.

Number of Participants in Asahi Soft Drinks Fermentation Culture Classroom

| 2021 | 2022 |
|-----------------------------|-----------------------------|
| 17 classes/976 participants | 15 classes/830 participants |



Nutrition Consultation Activities

Asahi Group Foods, Ltd. provides nutrition consultation aimed at infants for parents who are pregnant or raising children. Employees holding dietician qualifications provide planning and advice on weaning that is customized to each child, introduce smart ways to make use of baby food, and provide polite suggestions on making child-rearing more fun in a way that suits each person.

While it is today easy to obtain a large amount of information about raising children via the internet, many parents are still unsure or uneasy about some aspects. As the nutrition consultation activities conducted by Asahi Group Foods, Ltd. involve certified dieticians meeting face to face with parents to provide them with the right information based on expert knowledge, participants come away satisfied, offering feedback such as “I was anxious about weaning food for my child, but the careful explanations removed my worries.” The consultation activities are conducted through various opportunities such as events held by baby product stores and child-rearing support groups, and provide the support parents need to enjoy each day with their children.

We have been conducting these kinds of child-rearing support activities over the past 60 years and received the “Best Consumer Supporter Award” as part of the 2015 Consumer Support Achievement Award run by the Consumer Affairs Agency. In addition, the initiative received the Minister of Health, Labour and Welfare’s Grand Prize in the corporate division as part of the 5th Let’s Extend Healthy Life Expectancy Awards (Maternal and Child Health Field) in 2016.

Number of Participants in Nutrition Consultation Activities

| 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------|-----------------|----------------|----------------|----------------|
| Approx. 103,000 | Approx. 103,000 | Approx. 47,000 | Approx. 61,000 | Approx. 63,000 |

Note: Due to COVID-19, the number of participants decreased in 2020.



Development of Oral Care Products and Supporting Oral Care Seminars

Older adults and those requiring certain nursing care with reduced swallowing ability may face various dangers due to accidental swallowing of food. To address this issue, Asahi Group Foods, Ltd. offers a variety of oral care products. The product lineup, which includes wet tissues, cotton swabs, sponges, a toothbrush, and a tongue brush, helps to provide care tailored to the situation of those who need oral care. Moisturizing care products comprising a gel, sprays, and a mouthwash are also offered to meet individual needs.

The company also supports seminars and other activities on oral care in addition to product sales. A growing number of medical institutions and facilities

▶ Create Value of Health ▶

Activities



for older adults are implementing oral care as a part of efforts to prevent accidental swallowing. However, in many cases, the necessary techniques and methods are still not properly understood or implemented in the field. In response, many oral care seminars for professionals, individuals, and families who want to practice better oral care are being conducted across Japan. Asahi Group Foods, Ltd. coordinates with entities that are actively promoting oral care, such as local governments, medical institutions, and dental associations, that are actively promoting oral care to provide samples during seminars and provide detailed explanations about its products, their significance, and their proper use. Through these activities, the company is making every effort to improve the quality of life of older adults.





The Foundation of All Our Business Activities

Human Rights

As human beings, all people deserve respect as they live out their lives. Human rights are something each of us is entitled to from the day we are born, and respect for human rights is the responsibility of all corporations. Here at the Asahi Group, we respect the human rights of all stakeholders regardless of age, gender, disability, race, ethnicity, origin, religion, and all other factors.

▶ Respect for Human Rights

▶ **Management**

- ▶ Human Rights Due Diligence
- ▶ Consultation Service on Human Rights
- ▶ Engagement with Stakeholders

► Respect for Human Rights Initiatives



Management

Approach

As the human rights of vulnerable people are increasingly threatened by issues such as the COVID-19 pandemic, the outbreak of conflicts, and worsening environmental issues including climate change, there is interest in companies' efforts to respect human rights.

As a corporate group that operates its business globally, the Asahi Group considers one of its basic duties to be the respect for human rights for those affected by its activities. The 🗺️ Asahi Group Human Rights Principles ("the Principles") clearly state our commitment to respecting individual human rights and diversity, as well as to preventing any discrimination or conduct that violates individual dignity, and any form of forced labor or child labor.

We are working to execute a human rights due diligence process, provide thoroughgoing human rights education to our employees and business partners, and develop a system of remedy for victims of human rights violations.

Policies

Formulation of Asahi Group Human Rights Principles

The Principles are a foundational element of all our business operations. These Principles are based on the Asahi Group Philosophy, the Asahi Group Code of Conduct, and the Asahi Group Sustainability Principles, and govern our principles concerning human rights at the highest level. In accordance with the Principles, the Asahi Group contributes

to the realization of a sustainable society by committing to and implementing actions that respect human rights.

Overview of the Principles

- The Asahi Group recognizes that addressing human rights issues linked to business operations constitutes an important element in fulfilling human rights responsibilities and has set eight issues as important human rights issues: Discrimination; Harassment; Forced Labor and Child Labor; Freedom of Association and the Right to Collective Bargaining; Occupational Health and Safety; Working Hours and Wages; Impacts within the Supply Chain; and Impacts on Local Communities.
- The Asahi Group has explicitly stated its expectation that not only our employees but also our business partners understand and support the Principles. Moreover, the Principles are published on our website in 16 different languages in order to promote understanding among our stakeholders.
- The Asahi Group has explicitly stated that, in realizing the Principles, we place importance on stakeholder perspectives and dialogue with stakeholders. At the same time, we carry out human rights due diligence by establishing frameworks for grievance reporting from inside and outside the Group and by providing training and education on respect for human rights to all employees. We also call on our suppliers and other business partners to adopt the same approach.
- The Board of Directors has responsibility for overseeing compliance with the Principles and regularly confirming the status of compliance with the Principles and the progress of initiatives.

- The Asahi Group has responsibility for continuously tracking and verifying the status of compliance with the Principles, making improvements as necessary, and disclosing the results of its efforts on a regular basis.

Process of Formulating the Principles

The Principles were established through the process outlined below.

1. Identifying Human Rights Issues and Risks

Making reference to all manner of international regulations and standards concerning human rights and labor issues, we have worked with outside experts to review past case studies of human rights infringements that have occurred in the industry around the world, as well as publicly disclosed information, to identify issues concerning the entire value chain in the industry.

2. Identifying Human Rights Issues in the Industry

Ultimately we identified the following human rights issues in the industry and classified the risks by stakeholder.

| | |
|--|---|
| Employees of the Asahi Group and its business partners | Working hours, wages, workplace health and safety, discrimination, inhumane treatment, freedom of association/collective bargaining rights, forced labor, child labor, right to privacy, treatment of migrant workers |
| Customers and society | Responsible product marketing and sales activities |
| Customers | Product safety and quality |
| Local communities | Access to water, rights of indigenous peoples (land issues), other community-related issues |

▶ **Respect for Human Rights** ▶ **Management**



3. Assessment of Key Human Rights Risks

In order to identify the key human rights issues, we assigned scores to each item based on factors including the level of severity within the industry, the level of importance, gaps in our current response in comparison to industry standards, international standards, etc., and our potential to play an influential role. We then performed an assessment of the importance of human rights risks for each stakeholder adversely impacted in terms of human rights. These details were also considered in conjunction with outside experts, the results of which have been reflected in the assessment of importance.

4. Identifying Eight Issues Declared in the Principles

Through the process outlined in 1–3 above, we identified the eight issues declared in the Principles as key human rights issues to be tackled by the Asahi Group.

Activities Based on International Principles

In pursuing human rights initiatives in accordance with the Asahi Group Human Rights Principles, the Group engages in efforts while referencing principles and standards accepted by the international community, including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization (ILO), the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the Children’s Rights and Business Principles, and the ISO 26000 international standard.

Support for the UN Global Compact

To affirm its respect for workers’ rights, the Asahi Group declared its support for the United Nations Global Compact in June 2002 and remains committed to upholding its principles.

[Related Information](#) ▶ [Supporting the United Nations Global Compact](#)

Governance

The Asahi Group Human Rights Council has been established as one of the Sustainability Task Force in the sustainability promotion framework to reduce the risk of human rights violations in all business activities. The human rights issues addressed at this Council are reported to the responsible director (Sustainability

Director), and discussed at the Corporate Strategy Board.

The Board of Directors at Asahi Group Holdings, Ltd. is responsible for overseeing initiatives for the Principles and for respecting human rights, and the Principles stipulate that the Board of Directors regularly monitors the compliance with the Principles and the progress of the initiatives, and reports on this are carried out annually. The CEO is responsible for making the final decision.

In terms of specific initiatives, the six departments of Asahi Group Holdings (HR, Legal, Procurement, Strategy, Corporate Communications, and Sustainability) which constitute the members of the Asahi Group Human Rights Council are working together to execute them. Also, decisions made at this meeting are coordinated with the Regional Headquarters in the six functional axes to strengthen efforts.

Our Organizational Structure in Human Rights Management



► **Respect for Human Rights** ► **Management**



Risk Management

Due to the strengthening of human rights-related laws and regulations and heightened public interest in corporate activities in countries and regions with high human rights risks, the Asahi Group recognizes that any violations of human rights related to its business activities would have a major impact on the Group. Regarding respect for human rights, under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and CEO, Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

In the Asahi Group Risk Appetite Statement, we also declare that, in addition to making every effort to comply with the Asahi Group Code of Conduct and the Asahi Group Human Rights Principles, we will not take any risks that could prevent us from complying with these important policies.

Strategies

When formulating the Principles in 2019, we conducted a gap analysis with best practice examples of how we are addressing the key human rights issues defined in the policy. Based on those results and human rights issues in the value chain, priority initiatives were identified and action plans were formulated for each division. This due diligence process is pursued in accordance with the United Nations' Guiding Principles on Business and Human

Rights. In 2023, we conducted a comprehensive review of human rights risks across the entire value chain for the Asahi Group's three core businesses (alcohol beverages, beverages, and food businesses), and as a result, we confirmed that there is no need to change these initiatives.

<High-priority Areas>

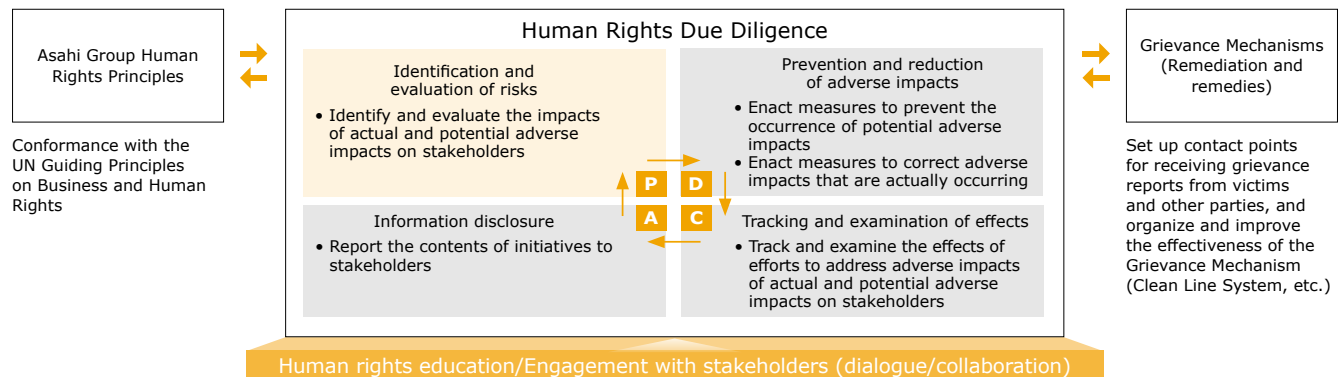
- Supply Chain
- Employees
- Development and Operation of a Framework for Remedy to Victims of Human Rights Violation

Main Potential Human Rights Risks in the Value Chain

| | R&D | Procurement | Production | Logistics | Sales/distribution/consumption |
|--|---|---|--|---|--|
| Workers (Employees/business partners) | | <ul style="list-style-type: none"> Forced labor, human trafficking Child labor Occupational safety and health Working hours and wages Treatment of foreign workers | <ul style="list-style-type: none"> Forced labor, human trafficking Occupational safety and health Working hours and wages Treatment of foreign workers | <ul style="list-style-type: none"> Occupational safety and health Working hours | <ul style="list-style-type: none"> Working hours and wages Freedom of association/collective bargaining rights |
| Consumers/local communities | <ul style="list-style-type: none"> Health and safety (Quality of prototype products) Right to privacy | <ul style="list-style-type: none"> Health and safety Land rights Residents transfer, lifestyle, livelihood Access to water and sanitation Indigenous peoples' rights | <ul style="list-style-type: none"> Health and safety Land rights Access to water and sanitation | | <ul style="list-style-type: none"> Health and safety (Product quality, damage to health from excessive intake, etc.) Responsible advertising and marketing Children's rights (Inappropriate information dissemination and marketing to children) Encouraging harassment, bad behavior, or human rights violations related to alcohol consumption |

■ High risk ● Medium risk

Overall Image of Our Human Rights Due Diligence



▶ **Respect for Human Rights** ▶ **Management**



Metrics and Targets

Group-wide Targets

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|---|---|
| AGH | Implement human rights education for employees twice a year | 8.5/8.7/8.8/10.2 |

Related Information > [Progress on Material Issue Initiatives \(in 2022\)](#)

Related SDGs



► Respect for Human Rights



Human Rights Due Diligence

Supply Chain

The Asahi Group conducts human rights due diligence on human rights issues in its supply chain from two perspectives: 1) human rights risks with primary raw material suppliers that have direct transactions with the Asahi Group, and 2) human rights risks in the high-risk categories identified in the modern slavery risk analysis.

Identifying Supplier Risks

The Asahi Group Supplier Code of Conduct

The Asahi Group has established the Asahi Group Supplier Code of Conduct, which requires suppliers to respect human rights, including to “not discriminate against, commit any act that damages the dignity of any individual or engage in any harassment,” “ensure a safe and healthy work environment,” “eliminate forced labor,” “abolish child labor effectively,” and “uphold their human rights responsibility in the communities in which they do business.” The Asahi Group Supplier Code of Conduct and other policies are shared with suppliers at annual procurement policy briefings and other opportunities. We have already obtained statements of consent to our Code of Conduct on raw materials from our primary suppliers of raw and packaging materials.

Engagement with Primary Suppliers

Fact-finding surveys

We ask all continuous primary suppliers of raw and packaging materials in Japan and abroad to respond to a Supplier CSR Questionnaire. We give feedback to the

responding suppliers about their results, showing any differences from the average score and their ranking among the responding companies, with the aim of helping them recognize their strengths and weaknesses, and to help them improve their weaknesses.

We also conduct on-site surveys of the suppliers based on the results of the questionnaire. During the on-site surveys, we provide advice on specific improvements, such as introducing the activities of other companies, and discuss ways to further promote and improve ESG initiatives based on the Asahi Group Supplier Code of Conduct.

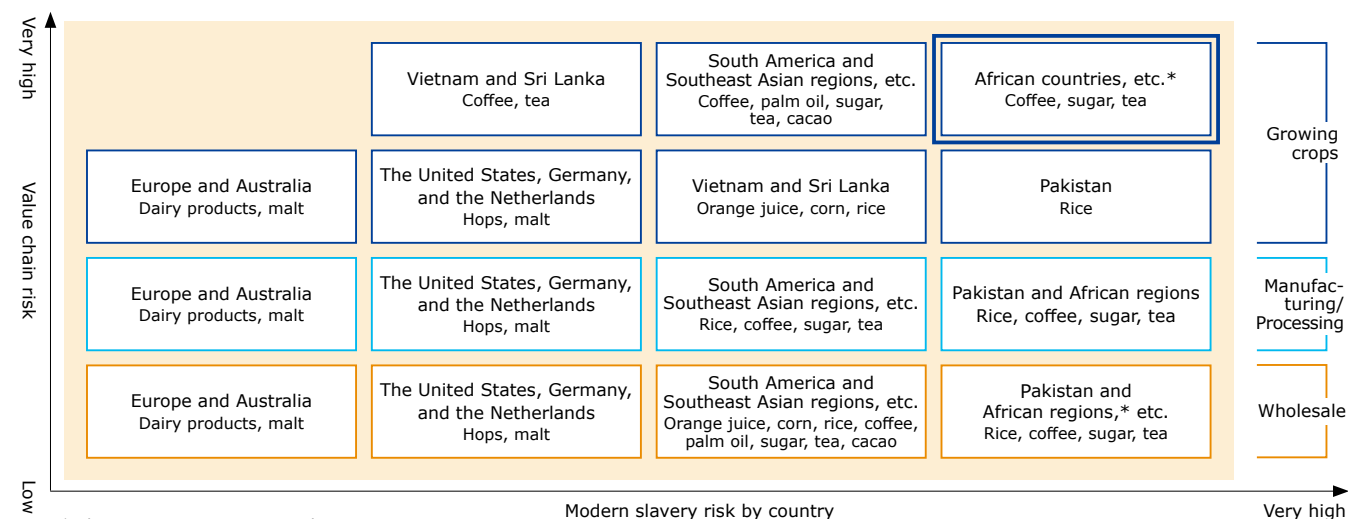
- [Supplier CSR Questionnaire](#)
- [Promotion of CSR Procurement](#)
- [Cooperation with Suppliers](#)

Identifying Risks with Raw Materials Determination of the Targeted Items

With the commitment to the UK’s Modern Slavery Act 2015 as a start, the Asahi Group conducted a theoretical analysis and assessment of risk focusing on modern slavery from two perspectives: the 17 countries in which the Asahi Group’s production bases are located and the 11 major items procured by the Asahi Group.

The analysis and assessment determined that the highest risk of modern slavery in the Asahi Group’s supply chain occurs during the “growing crops” stage. We also confirmed that even among the main direct materials procured by the Asahi Group, those deemed to carry a “very high” risk of modern slavery were

Main Raw Materials Procured: Analysis of Modern Slavery Risk



► **Respect for Human Rights** ► **Human Rights Due Diligence**



coffee, sugar, tea, palm oil, and cacao.

We have systematically targeted human rights due diligence for these raw materials and focused on Ethiopian and Tanzanian coffee in 2021 as well as Brazilian sugarcane in 2022. The Global Alliance for Sustainable Supply Chain (ASSC), a general incorporated association, agreed to collaborate with us to identify specific risks to human rights.

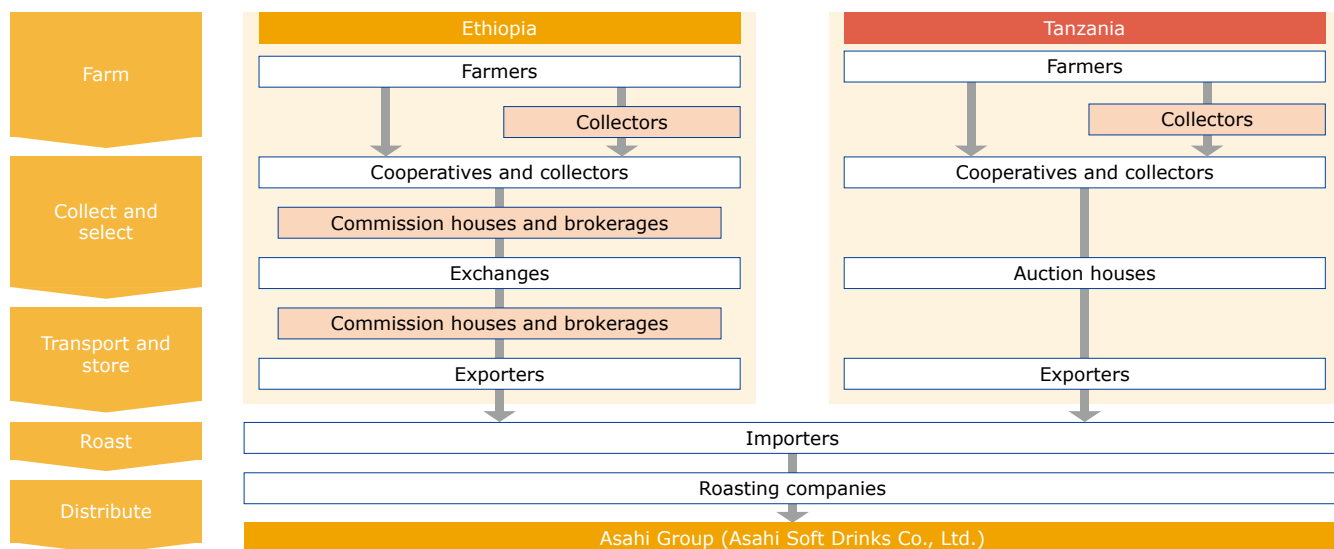
Related Information Modern Slavery Risk Analysis

Coffee Beans from Ethiopia and Tanzania

■ **Confirmation of procurement channels**

Prior to identifying human rights risks, we checked

Major Coffee Bean Sourcing Channels in Ethiopia and Tanzania



with coffee bean importers about the general human rights risks in Ethiopia and Tanzania and the distribution channels for coffee beans. The Asahi Group mainly purchases Ethiopian and Tanzanian coffee beans from trading houses and auctions through trading companies; however, since most farmers are small-scale, beans from multiple producers are mixed in the distribution process, and it was found that upstream suppliers such as farmers and agricultural cooperatives could not be identified.

■ **Conducting desk research**

Due to the difficulty of identifying upstream suppliers, we commissioned RightsDD Limited, a London-based human rights research organization, to conduct a human rights

impact assessment by desk research on the coffee industry in Ethiopia and Tanzania.

Results of Human Rights Impact Assessment through Desk Research

| Human rights impact | Impacted rights holder group | | | | | |
|----------------------------|------------------------------|----------|-------------------|----------|---------------|---|
| | Women | Children | Local communities | Laborers | Small holders | Internally displaced persons and refugees |
| Conflict | E | E | E | E | E | E |
| Child labor | | E T | | | | |
| Low income and unpaid work | E T | E T | | E T | E T | E |
| Seasonal work | E T | | | E T | E T | E |
| Gender income disparity | E T | | | | | |
| Workplace safety | E T | E T | | T | T | |
| Environment | E T | E T | E T | E T | E T | E |

Note: ■ Ethiopia ■ Tanzania

■ **Conducting interviews with relevant stakeholders**

In order to collect information reflecting a more realistic situation, we conducted interviews with related stakeholders. We also asked importers and exporters to respond to the Supplier CSR Questionnaire to understand the status of their ESG initiatives based on the Supplier Code of Conduct. As a result, it was found that each stakeholder is aware of human rights risks inherent in the coffee industry and is working on the following initiatives.

► **Respect for Human Rights** ► **Human Rights Due Diligence**



■ **Initiatives by each stakeholder**

<Importers>

- Ensure that all suppliers are familiar with the Supply Chain Management Policy
- Conduct a questionnaire survey of the top 10 coffee suppliers by volume

<Exporters>

- Support for farmers, including cultivation guidance, financing support, and certification acquisition support
- Provide education for producers to prevent human rights violations against employees and child labor at small-scale farms
- Implement activities to improve community livelihoods and educational standards, such as the development of lifelines and schools and the distribution of incentives for girls to attend schools
- Conduct risk surveys such as on human rights and introduce grievance mechanisms

<Cooperatives>

- Enforce strict employment rules, such as ensuring no one under the age of 18 is hired and concluding employment contracts with all employees
- Introduce a grievance mechanism for farmers who are members of agricultural cooperatives
- Support for improving the working environment for farmers, including the provision of personal protective equipment and training on the use of pesticides

Stakeholders Interviewed

| Stakeholders | Description | Interviewees |
|--------------------------|---|--------------------------|
| Import Trading Companies | Major coffee bean importers for the Asahi Group (Japan) | Sections in charge, etc. |

| Stakeholders | Description | Interviewees |
|---------------------------|--|---|
| Exporters | Companies transporting coffee beans to import trading companies (one company each from Ethiopia and Tanzania) | Business managers, etc. |
| Rainforest Alliance | NGO that provides certification for sustainable agricultural products and support for farmers in terms of conservation of the natural environment and human rights | Persons in charge of human rights |
| Fairtrade Africa | NPO that supports producers and certify fair trade products | Persons in charge of supporting Ethiopian coffee bean producers |
| Human Rights Consultant | Ethiopia-based coffee industry human rights consultant | Ethiopia-based coffee industry human rights consultant |
| Solidaridad | NGO supporting small-scale farmers in Tanzania | Persons in charge in Tanzania |
| Agricultural Cooperatives | Agricultural cooperatives in Tanzania | Cooperative members, farmers who belong to the cooperatives |

■ **Potential human rights risks identified through a series of surveys and future responses**

Based on a series of surveys, we have identified, with the cooperation of ASSC, the following potential human rights risks in the Asahi Group’s supply chain. The survey revealed that each stakeholder is working on initiatives against potential risks to prevent the occurrence of human rights risks. The Asahi Group will also consider specific measures to reduce potential risks and prevent or mitigate negative impacts.

<Overview of potential human rights risks identified in the survey>

- There is a possibility of child labor due to the large number of small-scale farmers, such as family businesses, and the fact that there are often no schools in rural areas where farmland is located.
- In general, agricultural workers have low incomes,

making them vulnerable to poverty-related human rights.

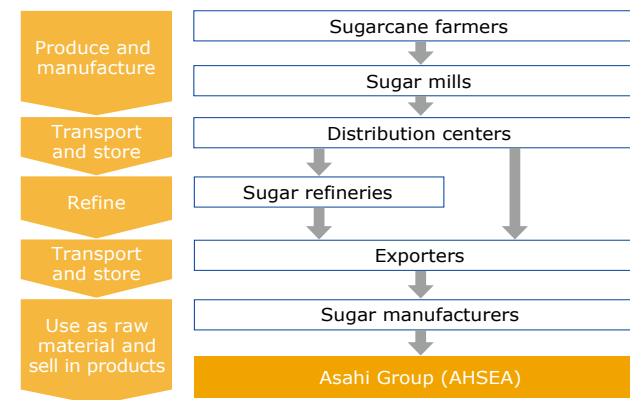
- Gender disparity represented by low wages, etc., and various forms of harassment against women may occur.
- In Ethiopia, there is a high risk of human rights violations caused by conflict.
- The working conditions of day laborers at the time of coffee bean harvesting may not be appropriate.
- In general, there is a possibility of health hazard risks to workers due to pesticides and chemical fertilizers.

Brazilian Sugarcane

■ **Confirmation of distribution channels**

Before identifying human rights risks, we confirmed our distribution channels. We purchase from two government-affiliated sugar manufacturers, both of which primarily follow a channel of farmers, sugar mills, exporters, and sugar manufacturers. The 2022 investigation failed to identify any agricultural producers, and as such we will continue our confirmation in 2023.

Major Sourcing Channels for Brazilian Sugarcane



► **Respect for Human Rights** ► **Human Rights Due Diligence**



■ **Conducting desk research**

To gain an understanding of general human rights risks in the Brazilian sugarcane supply chain, we commissioned RightsDD Limited, a research organization specializing in business and human rights, to carry out desk research. The results of the research showed that there are strict laws in place to crack down on human rights violations in Brazil and that the risk of child labor and forced labor is low. The risk of forced labor and modern slavery is declining, especially since larger plantations are becoming more mechanized, reducing the need to hire migrant and seasonal workers.

On the other hand, smaller plantations that require manual labor often employ migrant or seasonal workers, which may pose human rights risks such as the following:

| | |
|----------------------------|---|
| Labor Security | <ul style="list-style-type: none"> ● Illness or injury due to inadequate personal protective equipment during manual harvesting and application of pesticides and chemical fertilizers ● Injury due to dangerous work involving the use of machetes or sickles ● Chronic kidney disease as a result of being forced to work long hours under extreme climate changes |
| Migrant and seasonal labor | <ul style="list-style-type: none"> ● Poor well-being and health hazards caused by unsanitary conditions in workers' dormitories and residences, as well as unhygienic food and drinking water ● Exploitation of workers by agents, such as unfair labor contracts and demands for high travel expenses |
| Child Labor | <ul style="list-style-type: none"> ● Children aged five to 15 years old engaging in seasonal work to help parents pay off large sums of debt |



■ **Conducting interviews with relevant stakeholders**

In order to collect information reflecting a more realistic

situation, we conducted interviews with related stakeholders.

| Stakeholder | Overview |
|----------------------|--|
| Exporter A | Sugarcane trading company located in Singapore (supplier to Sugarcane Manufacturer A) |
| Exporter B | Sugarcane trading company based in the UK (supplier to Sugarcane Manufacturer B) |
| Sugar Manufacturer A | Government-affiliated company operating in Malaysia Major sugar manufacturer that procures raw sugarcane from Brazil |
| Sugar Manufacturer B | Government-affiliated company operating in Malaysia Major sugar manufacturer that procures raw sugarcane from Brazil |
| Bonsucro | Brazil-based international NGO addressing issues in the sugarcane industry |

Consistent with the findings of the desk research, the investigation confirmed that human rights risks are low due to Brazil's strict labor laws and the increasing mechanization of sugarcane plantations. It is assumed that any latent human rights risks are related to working conditions on smaller plantations and at sugar mills, and we found that stakeholders are taking the following actions in response.

| Stakeholder | Overview |
|----------------------|---|
| Exporter A | Established sustainability requirements for sugar mills and sugarcane farmers, which include matters related to human rights exploitation such as forced labor and child labor, and began monitoring progress on such matters |
| Exporter B | Operates a program that comprehensively evaluates supplier initiatives across the five pillars of governance and policy, company facilities, people, the environment, and traceability while providing advice for improvement and capacity building throughout the supply chain |
| Sugar Manufacturer A | Established an ESG division for implementing and overseeing measures relating to human rights issues in addition to operating a program in collaboration with Exporter A |
| Sugar Manufacturer B | Established an evaluation program in collaboration with Exporter B and began carrying out an evaluation of the supply chain |

■ **Future responses based on a series of findings**

An issue with the 2022 investigation was that we were unable to trace back to the Brazilian sugarcane farmers

that Asahi Holdings Southeast Asia Sdn. Bhd. purchases from and get a detailed picture of the reality of the situation. In the 2023 investigation, we plan to continue to look into the supply chain and work to identify farmers. At the same time, we will consider initiatives to address the human rights risks associated with Brazilian sugarcane identified in this investigation based on the following suggestions from ASSC.

<Suggestions from ASSC>

- Although the two sugar manufacturers are implementing excellent sustainability initiatives and programs, visit local sugarcane plantations and sugar mills to confirm the validity and effectiveness of these initiatives and programs.
- Confirm that exporters and plantations are not on the so-called "dirty list," a list compiled by the Brazilian Ministry of Labor and Employment of companies that do not meet the requirements of labor laws. If a company is found to be on the list, it should be subject to further scrutiny.
- Improve transparency by understanding in as much detail as possible the organizations present in the supply chain.
- Going forward, regularly conduct investigations in person to identify latent human rights risks, and increase awareness of respect for human rights among those in the supply chain while encouraging the implementation of appropriate initiatives.
- The UN Guiding Principles on Business and Human Rights calls for improved access to effective remedy to human rights abuses. Establish a mechanism for receiving complaints that guarantees the anonymity of informants and prevents retaliation.

► **Respect for Human Rights** ► **Human Rights Due Diligence**



<Our Response Going Forward>

- Gain an understanding of the implementation of the sustainability programs of each of the stakeholders interviewed on this occasion
- Trace the supply chain upstream and work to identify farmers to improve transparency and communication
- Confirm compliance of relevant organizations with laws and other codes upon improving the transparency of the supply chain
- Establish a grievance mechanism to ensure that information and opinions obtained from rights holders and other sources lead to appropriate rectifications and remedies

Implementing Human Rights Training

To deepen understanding of the Asahi Group Human Rights Principles and the Asahi Group Supplier Code of Conduct, we send training materials on sustainable procurement initiatives and global ESG trends including human rights to approximately 900 of our continuous primary suppliers around the world. We also ask them to submit their opinions on these materials to serve as a reference point for future policies and responses.

Employees

The Asahi Group appreciates the importance of human rights initiatives among its employees. We strive to mitigate human rights risks to employees and pursue human rights education for employees as the basis for creating an environment in which employees can work with vigor and extend their capabilities.

Activities to Prevent the Use of Forced Labor

Japan

In 2020, together with ASSC, we conducted a labor conditions survey and interviews with 40 technical intern trainees in their native language at the Okayama Plant of Asahi Group Foods, Ltd., which accepts foreign technical intern trainees. We carried out improvement activities based on findings by ASSC in 2021. Examples of these activities are as follows.

1. Posting and distribution of handouts and cards with emergency contact information and dormitory addresses



2. Posting and distribution of notices about sanitary management precautions and company regulations in the native languages



3. Posting notices on the operation of equipment in trainees' native languages



4. Lending of learning materials to help trainees improve their Japanese language skills



These activities were recognized as excellent at the second open forum hosted by JP-MIRAI (Japan Platform for Migrant Workers towards Responsible and Inclusive Society), of which Asahi Group Holdings, Ltd. is a member.

Malaysia

In 2022, together with ASSC, Asahi Holdings Southeast Asia Sdn. Bhd. (AHSEA) conducted a survey with a focus on assessing the occupational health and safety of all workers, the labor conditions of foreign workers, living environments, and the recruitment process at AHSEA two main production plants in Malaysia.

▶ Respect for Human Rights ▶ Human Rights Due Diligence



| Actions Implemented | Overview |
|--|---|
| Review of labor management documents | Employment regulations, employment contracts, pay slips, attendance sheets, and other documents were checked to gain an understanding of labor conditions, hiring processes, and actual labor management practices. |
| Site inspection | An inspection of plants and dormitories was carried out to assess occupational health and safety and living conditions. |
| Employee interviews | With the help of a local interpreter, comprehensive interviews were conducted with employees on matters including satisfaction with their working environments and any points of dissatisfaction. |
| Report to local labor management representatives | The survey's findings were presented to the factory manager and supervisors. |

■ Results

Overall, occupational health and safety and living environments were generally well maintained. Both plants were rated highly for occupational health and safety, with one plant demonstrating its consideration for the safety of foreign workers by displaying safety measures and emergency exit signs in multiple languages, providing training with the help of interpreters at the time of hiring, and providing personal protective equipment free of charge. Additionally, the conditions of dormitories provided for foreign workers were well maintained.

On the other hand, regarding labor conditions, insufficiencies were noted in the information provided on notices of employment and employment contracts. It was also raised that employment regulations and warning notices should be printed in multiple languages. Going forward, we will strive to make improvements on the issues raised.

Responding to Vulnerable Stakeholders in the Company

The Asahi Group considers it important to ascertain the needs of vulnerable stakeholders in order to identify internal human rights risks and prevent and correct human rights violations.

In 2021, we conducted workplace environment surveys for Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Asahi Group Foods, Ltd. to understand and resolve the needs and issues faced by non-union employees (contract and temporary employees), who are vulnerable stakeholders in the company. Although no risks that could lead to serious human rights violations were found in the survey, the three targeted companies have identified issues from the survey results and are working to make improvements.

Education and Training for Employees Implementing Human Rights Training for All Employees

We are continuing to conduct training for employees in order to disseminate the Asahi Group Code of Conduct and the Asahi Group Human Rights Principles. In 2022, we distributed a human rights training video on the theme of "Discrimination and Harassment" to all executives and employees around the world, as well as a message video about human rights from the CEO, and the Chief Human Resources Officer (CHRO) of Asahi Group Holdings, Ltd., in conjunction with World Human Rights Day on December 10.

Training for Each Department

The Asahi Group conducts department-specific training to extend each employee's knowledge in areas related to his or her work.

| Year | Overview | Activity/Content | Participants |
|------|--|---|---|
| 2020 | Managers, leaders, and personnel of procurement departments at operating companies in Japan | Training, e-learning programs | 176 people (100% attendance rate) |
| | 2021 | Employees of production and logistics departments in Japan | Basic human rights training Training for foreign workers |
| | | Heads of production and logistics departments at headquarters | Human rights due diligence training |
| 2022 | Employees of Asahi Group Holdings, Ltd. | Sustainability training for employees (Theme: Human rights) | 137 people (91% attendance rate) |
| | Members of Asahi Group Human Rights Council | Human rights training (Theme: Thinking about the starting point of risks to human rights) | - |
| | | Human rights training (Theme: Human Rights Due Diligence in Conflict Areas) | - |
| | Newly appointed sustainability personnel at operating companies in Japan | Human rights training (Theme: Human Rights Issues in Business) | 40 people |
| | Sustainability personnel in production and logistics divisions of operating companies in Japan | CSR auditing training | 11 people |

Related Information



Compliance Promotion



Activities (Diversity, Equity and Inclusion)

► Respect for Human Rights



Consultation Service on Human Rights

Approach

If it becomes clear that the Asahi Group caused or was directly involved in any adverse effects on human rights, we will work on the remedy of victims through appropriate procedures.

The Asahi Group offers a consultation service regarding human rights. It comprises two whistle-blowing schemes: a whistle-blowing system for employees in all regions and companies of the Asahi Group, and a Procurement Clean Line System for its suppliers. Opinions concerning human rights are also fielded through the acceptance of inquiries made through the Asahi Group Holdings, Ltd. website. Strict confidentiality and anonymity will be maintained with respect to the information provided.

In the whistle-blowing system for employees, whistle-blowing desks have been established at the regional headquarters companies or companies in each region. In Japan, outside lawyers and auditors of Asahi Group Holdings, Ltd. have also been established as reporting desks. In Europe and Oceania, the scope of the whistle-blowing system has been expanded to include suppliers. The Compliance Committee, chaired by the President and Representative Director, monitors the status of the reporting and operation of the whistle-blowing system across the entire Asahi Group. The whistle-blowing system for each region and company of the Asahi Group is available in the appropriate language. Anonymous reporting is also possible, and the system is currently available in 22 languages in accordance with business development.

Activities to Remedy the Problems Identified

We investigated the information provided by whistle-blowers. Once a violation of compliance was confirmed, we took action to remedy the problem. When there was still room for improvement in matters other than non-compliance, we took necessary measures to respond to such matters.

Whistle-blowing reports that require actions to remedy problems or implement improvements are also reported to and discussed by auditors and the Compliance Committee of the Asahi Group.

Activities to Disclose Information to Employees and Prevent Incidents and Their Recurrence

With the aim of enhancing employees' awareness and understanding of the Asahi Group's Clean Line System and eliminating compliance and human rights violations, we disseminate a "Clean Line Report" to Group employees in Japan every year. The report provides a variety of information to enhance the transparency of the system, such as actions taken under the Clean Line System (the consultation service, the process implemented after the receipt of a complaint, the time required for an investigation, etc.); concrete cases of non-compliance reports (including investigation findings and corrective measures taken), in which greatest attention is paid to the protection of whistle-blowers; and important points about whistle-blowing.

- We conduct a compliance survey on an anonymous basis involving Major Asahi Group Companies in Japan once a year to determine their awareness of the Clean Line System (including how to use it) and their intention to use the system. Based on survey findings, we identify the issues to address to ensure compliance, including human rights, develop improvement plans, and implement them at each operating company.
- To prevent harassment, which is the most commonly reported issue in Japan, since 2020 we have engaged lawyers to provide training for Group company personnel responsible for human resources and general affairs, crisis management, and other areas.

Related Information Whistle-Blower Scheme

Procurement Clean Line System

Comments/Questions

► Respect for Human Rights



Engagement with Stakeholders

Dialogue with Stakeholders

2019

The Asahi Group has received recommendations from experts from the perspective of what kind of human rights risk management will be necessary in the future to mitigate human rights risks, with a focus on addressing human rights in supply chains that carry a particularly high risk in the food industry. These recommendations are reflected in our action plans.

<Major Recommendations from Experts>

- Strengthening approaches to suppliers in high-risk categories
- Identifying and understanding potential risks in achieving 100% sustainable use of resources, and taking action against such risks

Related Information [Stakeholder Dialogue 2019: Toward Reducing Human Rights Risks in the Supply Chain](#)

2021

In 2021, we invited experts to hold a dialogue on human rights with the CEO, CAO, and CHRO of Asahi Group Holdings, Ltd. The purpose was to provide opportunities to have a realistic image of the possible problems as a global company, consider what management decisions would be necessary when such problems occur, and deepen understanding of business and human rights.

Experts mentioned the essentials of “business and human rights,” such as the attitude and approaches to respecting human rights required of companies and top

management. In response to the dialogue, discussions were held at the Corporate Strategy Board for a total of five times, between late 2021 and 2022, to enhance the effectiveness of the Human Rights Principles.

<Major points raised>

- Incorporating the perspectives of respect for human rights into corporate activities as a whole is a management issue that requires commitment.
- In order for companies to fulfill their responsibility to respect human rights, it is essential to understand human rights, agree with them, and put them into practice.
- For whose sake and for what purpose do we respect human rights? The starting point should be “human rights risk,” not management risk.

<Experts who participated>

- Mr. Osamu Shiraishi, Chairman, Asia-Pacific Human Rights Information Center (HURIGHTS OSAKA)
- Ms. Akiko Sato, Attorney-at-Law, Kotonoha Law, Deputy Secretary General, Human Rights Now

Participating in Initiatives

Participating in Initiatives and Dialogues with NGOs and Other External Experts in Human Rights

| Year of Participation | Initiative | Content, Purpose, etc. |
|-----------------------|---|--|
| 2020 | Platform for Responsible Recruitment of Foreign Workers, established by Japan International Cooperation Agency (JICA) | While the working environment of foreign technical intern trainees and other foreign workers in Japan has been criticized both in Japan and abroad for violating human rights, we will promote efforts, in cooperation with various organizations, to realize decent work, that is productive and humane work for foreign workers. |
| 2020 | Social Sustainability Working Group of the Consumer Goods Forum Japan Sustainability Local Group | We aim to promote human rights due diligence in the Asahi Group by collaborative efforts for the elimination of forced labor and by sharing information among the member companies of the Group. |
| 2020 | The Global Alliance for Sustainable Supply Chain (ASSC) | With the support of ASSC, Asahi Group aims to make effective efforts toward human rights issues in the supply chain. |
| 2020 | Sedex (Supplier Ethical Data Exchange) | Sedex is a non-profit membership organization that provides a supplier ethical information-sharing platform. We aim to check the human rights and labor management situation of suppliers and promote the reduction of human rights risks for suppliers. |
| 2021 | “Stakeholder Engagement Program” hosted by Caux Round Table, Japan | We hold dialogues with NPOs, NGOs, and experts, and participate in the formulation of important human rights issues for each industry. Based on the results of these activities, we will enhance the effectiveness of the human rights due diligence process in the Asahi Group in the future. |

▶ Respect for Human Rights ▶ Engagement with Stakeholders



Initiatives of Each Regional Headquarters

Europe

Asahi Europe and International Ltd. implements human rights due diligence on forced labor and human trafficking in its operations and supply chain, and has disclosed statements in response to the Modern Slavery Act. Through human rights due diligence, the company has formulated and implemented processes for identifying potential risks of forced labor and human trafficking, assessing such risks, and taking preventive measures. The company also uses regular communication, online training, and other methods to ensure that all employees understand the company's human rights policies and can cooperate with suppliers and identify risks in the course of their daily work duties.

Oceania

Asahi Holdings (Australia) Pty Ltd. and its subsidiaries (AHA Group) are committed to respecting human rights across their operations and taking human rights considerations into account when selecting suppliers. Asahi Holdings (Australia) Pty Ltd. publishes modern slavery statements consistent with the requirements of the Australian Government's Modern Slavery Act. In 2020, the AHA Group commenced a review of its supply chain and operations to better understand and identify any potential risk of modern slavery practices. The AHA Group launched a human rights policy in 2020 and carried out further risk mapping. In 2021, the AHA

Group launched its new Supplier Code of Conduct, which aims to reduce the risk of modern slavery within our supply chain.

Japan

We have been conducting the CSR Questionnaire to ascertain the actual status of our contract manufacturing plants and logistics partners in Japan. We will gradually increase the number of companies surveyed and work to strengthen relationships with suppliers by confirming human rights and labor management conditions, conducting on-site visits, and providing training support.

Related Information



[Statement on the UK Modern Slavery Act](#)



[Statement on the Australian Modern Slavery Act](#)



Activities Towards Other Issues

The Asahi Group aims to enhance corporate value through activities in initiatives and key initiatives associated with material issues and actively address the foundation that supports enhancing corporate value.

▶ Realize Sustainable
Supply Chains

▶ **Management**

▶ **Activities**

▶ Secure Food Safety
and Reliability

▶ **Management**

▶ **Activities**

► Realize Sustainable Supply Chains



Management

Approach

A large number of companies are involved in the process from the manufacture to the supply of a product.

Accordingly, it is considered important for a company to manage the overall supply chain instead of only the processes in which it is directly involved.

By reducing environmental and human rights risks, and realizing and maintaining a sustainable supply chain, the Asahi Group reduces our environmental impact and provides a safe workplace for all of our suppliers to operate.

We will build strong relationships of trust and long-term cooperative relationships with our suppliers to promote procurement activities with environmental and social considerations.

Policies

To realize and maintain a sustainable supply chain, the Asahi Group has established the [Asahi Group Sustainable Procurement Principles](#). We have also established the [Asahi Group Supplier Code of Conduct](#) and ask our suppliers to perform sustainable activities.

Overview of the Asahi Group Sustainable Procurement Principles

The Asahi Group Sustainable Procurement Principles aim to set forth basic matters regarding goods and services purchased from suppliers in order to build sustainable relationships that promote mutual growth based on

establishing a solid and trustful relationship and a long-term cooperative relationship with suppliers.

1. Placing first priority on food safety and securing good quality
2. Ensuring thorough compliance
3. Promotion of CSR activities together with suppliers
4. Fair and just transactions
5. Information management

Overview of the Asahi Group Supplier Code of Conduct

In order to realize a sustainable supply chain, the Asahi Group requires our suppliers, their upstream suppliers, and their subcontractors to act in accordance with the Asahi Group Supplier Code of Conduct.

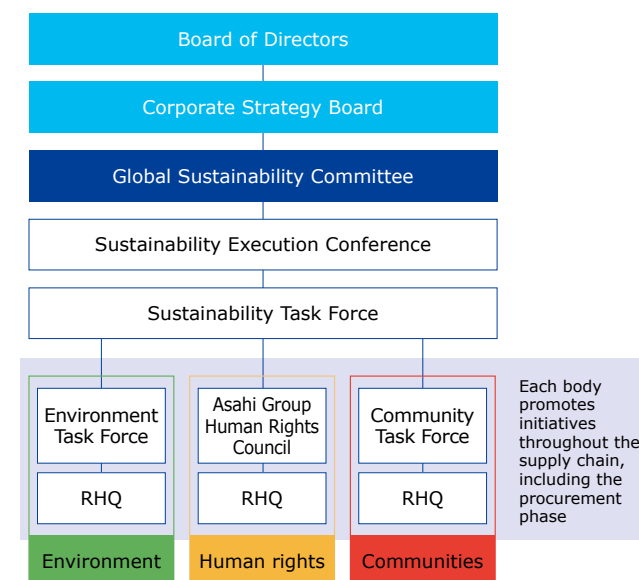
1. Respect for human rights
2. Improvement of working environment
3. Environmental consciousness
4. Fair business practices
5. Quality assurance
6. Information management
7. Respect for local communities
8. Responsible drinking

Governance

The Asahi Group promotes activities to address sustainability issues in the supply chain through a management system that has been established for material issues such as "Environment," "Human rights," and "Communities."

The management structure for each of these material issues is positioned as a task force linked to the Global Sustainability Committee chaired by the President and Representative Director of Asahi Group Holdings, Ltd.

Management System for Sustainability Issues in the Supply Chain



Note: RHQ is an abbreviation for Regional Headquarters.

Supplier Management System

Regarding supplier management, we have established the Procurement section at Asahi Group Holdings, Ltd. as the section in charge of overseeing the procurement strategy of the Group overall. We thus engage in optimal procurement activities in coordination with Group companies. Policies and

► Realize Sustainable Supply Chains ► Management

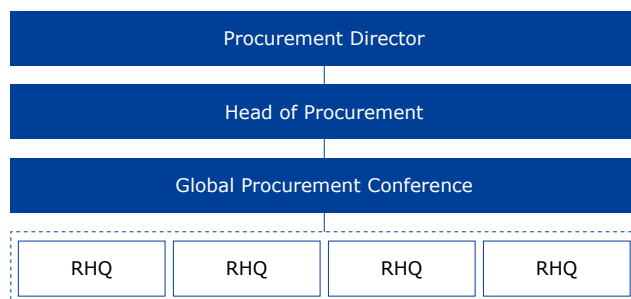


strategies proposed by the Procurement section are notified to the overall Group and developed as specific initiatives in the procurement activities of Group companies.

Specifically, we have positioned Global Procurement Conferences as basic venues for disseminating information among Group members. These conferences are used to communicate to all Group members our procurement strategies and policies, such as the Asahi Group Sustainable Procurement Principles and the Asahi Group Supplier Code of Conduct, as well as other policies with a strong connection to procurement, such as the Asahi Group Environmental Vision 2050 and the Asahi Group Human Rights Principles.

Procurement Directors at Procurement of Asahi Group Holdings, Ltd., the Procurement section of the Asahi Group Japan, Ltd., and each Group company in Japan are striving to improve their knowledge of procurement, including CSR procurement, through the acquisition of Certified Procurement Professional (CPP) qualifications sponsored by the Japan Management Association.

Supplier Management System



Risk Management

The Asahi Group recognizes the risks of an interruption in the supply of raw materials from the Group's supply chain negatively affecting a variety of stakeholders and the management of the Group.

Under our Group-wide enterprise risk management (ERM) system, these risks are classified as key risks to be managed by the Risk Management Committee chaired by the President and CEO, Representative Director, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

The Asahi Group is promoting three main initiatives in order to realize a sustainable supply chain.

Our first initiative is a series of surveys regarding the water risks our suppliers face and supplier CSR. We conduct these surveys to understand what actions our suppliers are taking regarding the environment, human rights, and other issues related to sustainability, with the goal of assessing risks and resolving any issues that may exist.

Our second initiative encourages procurement of raw materials which have been third-party certified as sustainable.

Along with comprehensively preventing the abuse of a superior bargaining position, our third initiative makes use of the Procurement Clean Line System as a means for our suppliers to report incidents where employees of the Asahi Group act in a manner contrary to the Asahi Group Sustainable Procurement Principles, or if they are involved

in activities that are legally or socially questionable.

Through these initiatives, we work with our suppliers to share information regarding subjects such as the environment and human rights, and continue to raise awareness.

Metrics and Targets

In accordance with the Asahi Group Supplier Code of Conduct, the Group will work with suppliers to increase the sophistication of the sustainable supply chain.

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|---|
| AGH | Reassess the Asahi Group Supplier Code of Conduct to enhance commitment, and determine a revision proposal in 2023 | 2.3/2.4/12.6/12.7 |

Related Information > Progress on Material Issue Initiatives (in 2022)

► Realize Sustainable Supply Chains ► Management



Related SDGs



Related Information

- Respond to Climate Change
- Initiatives toward the TCFD Recommendations
- Sustainable Agricultural Raw Materials
- Sustainable Water Resources
- Respect for Human Rights
- Promotion of CSR Procurement
- Supplier CSR Questionnaire
- Cooperation with Suppliers

► Realize Sustainable Supply Chains



Activities

Promotion of CSR Procurement

To provide safe, secure products and services, the Asahi Group promotes CSR procurement in accordance with laws, the Asahi Group Sustainable Procurement Principles, and internal guidelines.

Supplier Water Risk Survey

Outline of Survey

A water risk survey identified the need to survey risks on site. Since 2017, the Asahi Group has interviewed suppliers about water risks when conducting quality audits.

| Topic | Questions |
|------------------------|--|
| Risk of water shortage | <ul style="list-style-type: none"> In terms of percentage, how have your water bills changed in the last five years? Does a water shortage pose an issue for the procurement of raw materials? If so, what action have you taken? Does a water shortage pose an issue for the operation of your plant? If so, what action have you taken? |

Survey Results

Quality audits were conducted at a total of 155 plants from 2017 to 2022, and the following responses were obtained.

- Changes in water bills: Increased at 27 plants, have not changed at 44 plants, and decreased at 15 plants. Sixty-nine plants did not respond.
(Some of the plants which did not respond left explanatory comments saying, "No water is used in production

processes" or "Well water is used.")

- Issues with the procurement of raw materials resulting from a water shortage: 153 plants experienced no issues, two plants experienced issues.
The two plants that experienced issues had in the past suffered crop failure involving its agricultural products as a result of a severe drought. In response, it has prepared for such occurrences by securing multiple water sources on the producer side at one plant. The Procurement section dispersed its supplier production locations as a way of responding to this risk. Suppliers are considering multiple sources of agricultural products.
- Issues in plant operation resulting from a water shortage: None of the 155 plants experienced issues.

Response Going Forward

If any water risk is clearly shown to exist, we will take appropriate measures in accordance with the specific risk and social circumstances.

Related Information > [Cooperation with Suppliers](#)

[CDP Water Security Questionnaire 2023 \(Japanese only\)](#)

Supplier CSR Questionnaire

The Asahi Group conducts its >Supplier CSR Questionnaire to learn about the CSR initiatives taken by our suppliers and acts to address any issues that are identified.

Third-party Certification of Raw Materials

Commitment to Sustainable Palm Oil

Asahi Group Holdings, Ltd. joined the Roundtable on Sustainable Palm Oil (RSPO) in December 2016 and became a full member of this group in July 2019 with the aim of being able to take environmental, human rights, and other issues into account when procuring palm oil.

Since 2019, we have also been purchasing certified credits under the Book and Claim certification method for some of the palm oil procured by the Group. Asahi Group Foods, Ltd. worked under a plan to purchase certified credits for 50% of its total palm oil procurement in 2022. The company fell just short of its goal, but still managed to purchase certified credits for 48%. We will continue our efforts to procure sustainable palm oil in accordance with the Asahi Group Sustainable Procurement Principles.

Sustainable Procurement of Paper

In January 2021, Asahi Group Holdings, Ltd. acquired a forest certification (FSC® CoC) (currently held under Asahi Group Japan, Ltd.) for its use of paper and packaging containers. This is a certification of sustainable forest management. There are two categories of forest certification: FM (forest management) and CoC (chain of custody). The former certifies forest management while the latter certifies the processing and distribution of forest products produced by a certified forest. Currently, the certification applies to cardboard and multi-packs; however, more paper-based products will be certified in the future.

► Realize Sustainable Supply Chains ► **Activities**



Asahi Group Holdings, Ltd. has also completed its transition to FSC® CoC certification, achieving the new FSC-STD-40-004 V3-1 standard, which came into effect in January 2022. In the future, in addition to striving to protect forests, we will expand our sustainable activities to include consideration of the human rights of the people engaged in the production and distribution processes. In addition, Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., and Asahi Group Foods, Ltd. have partnered together in order to obtain collective certification.



(c) Refusing to receive goods in transactions with the counterparty, causing the counterparty to take back such goods after receiving them from the counterparty, delaying payment to the counterparty or reducing the amount of payment, or otherwise establishing or changing trade terms or executing transactions in a way disadvantageous to the counterparty.

The Asahi Group is committed to full compliance with the Guidelines Concerning Abuse of Superior Bargaining Position under the Antimonopoly Act from the Japan Fair Trade Commission (updated June 16, 2017).

Related Information [Guidelines Concerning Abuse of Superior Bargaining Position under the Antimonopoly Act \(Japanese only\)](#)

Preventing Abuse of Superior Bargaining Position

In order not to take advantage of our superior position in business over others, the Asahi Group takes meticulous care not to unfairly act in a manner that corresponds to the items listed below in the context of normal business habits.

Article 2 Paragraph 9 Item v of the Antimonopoly Act

- (a) Causing the counterparty in continuous transactions (including a party with whom one newly intends to engage in continuous transactions; the same applies in (b) below) to purchase goods or services other than those to which the relevant transactions pertain;
- (b) Causing the counterparty in continuous transactions to provide money, services or other economic benefits;

Procurement Clean Line System

The Asahi Group has a Procurement Clean Line System for its suppliers and parties who wish to transact with the Group. The Procurement Clean Line System enables our suppliers and their employees, or parties who may wish to become our suppliers, to report incidents where employees of the Asahi Group act in a manner contrary to the Asahi Group Sustainable Procurement Principles, or when they are involved in activities that appear not to comply with the law or social ethics. The system helps the Asahi Group build solid relationships with suppliers based on trust and long-term cooperation. In 2022, one incident was reported under this system.

Related Information [Procurement Clean Line System](#)

Supplier CSR Questionnaire

In cooperation with its suppliers, the Asahi Group engages in procurement to preserve the global environment and local communities in accordance with the Asahi Group Sustainable Procurement Principles.

We require our suppliers to submit Supplier CSR Questionnaires to gain an understanding of their ESG (Environmental/Social/Governance) initiatives, and to assess their risks and resolve potential issues. This survey was conducted in 2015, 2016, 2018, and 2020. Since 2020, the frequency has shifted to once every three years with our next Questionnaire scheduled for 2023.

Approach

The Asahi Group does not immediately suspend or cancel transactions with suppliers if issues are discovered through the Supplier CSR Questionnaire, because we are convinced that working together to address those issues will contribute to resolving challenges in society on a fundamental level.

The Asahi Group established the Asahi Group Supplier Code of Conduct as a baseline set of standards which we ask all of our suppliers to observe. Through a series of initiatives, including the Supplier CSR Questionnaire, we seek to realize sustainable procurement by solidifying our relationships with suppliers through trust and long-term cooperation.

Survey Overview

■ Scope of Survey (Conducted in 2020)

Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Calpis Co., Ltd., companies affiliated with Asahi Europe and International Ltd.

► Realize Sustainable Supply Chains

Activities



(“Europe”), Group companies of Asahi Beverages Pty Ltd. (“Oceania”), and companies affiliated with Asahi Holdings Southeast Asia Sdn. Bhd. (“Southeast Asia”)

Total: 21 companies

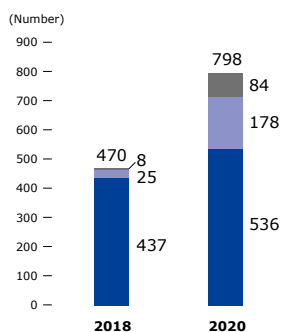
■ Participating Suppliers in Numbers

| | Requests | Responses from primary suppliers | Responses from secondary suppliers (Duplicate answers excluded) | Total responses (Duplicate answers excluded) |
|---------------|----------|----------------------------------|---|--|
| Japan | 485 | 442 | 94 | 536 |
| Outside Japan | 326 | 239 | 23 | 262 |
| Total | 811 | 681 | 117 | 798 |

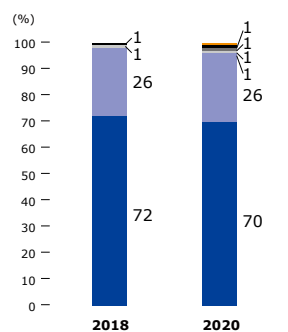
■ Percentages of Responding Suppliers

Survey results are aggregated from 798 suppliers and their percentages are shown below.

Number of Respondents to Supplier CSR Questionnaire



Supplier Business Category



Legend: Japan (Blue), Europe + Oceania (Light Blue), Southeast Asia (Dark Blue), Production (Dark Blue), Distribution (Light Blue), Agriculture (Grey), Technical Services (Dark Grey), Transport (Black), Other (Yellow)

Note: The 2018 survey limited respondents outside Japan to major suppliers that have substantial business with us. For this reason, the number of respondents outside Japan is only 33.

The 2020 survey covers all direct material suppliers, both inside and outside Japan, that regularly do business with us. Sixty-seven percent of the suppliers are from Japan, 22% are from Europe and Oceania, and 11% are from Southeast Asia.

By industry, manufacturing accounts for 70% of the suppliers while wholesale and retailing account for 26%. The percentages are very similar to those in the 2018 survey.

■ Questionnaire Contents

As in the 2018 survey, the 2020 Supplier CSR Questionnaire used the self-assessment questionnaire (SAQ) by the UN Global Compact Network Japan (GCNJ) in 2017. The questionnaire (“GCNJ-SAQ”) was chosen for the following reasons.

- 1) It has high affinity with the Asahi Group Supplier Code of Conduct
- 2) It conforms to the GC10 Principles, ISO 26000, GRI, and other international standards
- 3) It becomes easier for suppliers to respond if we use a common format for all industries and industry types
- 4) It is easy to understand as it has a radar chart feedback format and a word list

More specifically, GCNJ-SAQ adds sub-items to each item and includes questions on the suppliers’ legal awareness, policy, system/responsibilities, and checking of initiative results and corrective action. In this way, the suppliers’ activities are graded.

► Survey items: 9 themes

(1) Corporate governance related to CSR, (2) Human rights, (3) Labor, (4) Environment, (5) Fair business

practices, (6) Quality and safety, (7) Information security, (8) Supply chain, (9) Local community

| 9 themes | 47 topics |
|---|--|
| (1) Corporate governance related to CSR | <ol style="list-style-type: none"> 1. Establishment of a CSR promotion system 2. Establishment of internal controls 3. Establishment of a business continuity planning (BCP) system 4. Establishment of a whistle-blower system 5. Dispatch of CSR-related information inside and outside the company |
| (2) Human rights | <ol style="list-style-type: none"> 1. Basic attitude toward human rights 2. Respect for human rights and prohibition of discrimination 3. Avoidance of complicity in (or contribution to) human rights abuses 4. Respect for indigenous peoples and local communities |
| (3) Labor | <ol style="list-style-type: none"> 1. Basic attitude toward labor practices 2. Prohibition of discrimination in the workplace 3. Provision of equal opportunities to employees regarding human resources development and career advancement, etc. 4. Prohibition of inhumane treatment 5. Payment of fair wages 6. Fair application of working hours, time off, and paid time off, etc. 7. Prohibition of forced labor 8. Prohibition of child labor 9. Respect for the religious traditions and customs of the country of operation 10. Recognition of and respect for freedom of association and the right to collective bargaining 11. Proper management of employee health and safety |
| (4) Environment | <ol style="list-style-type: none"> 1. Basic attitude toward environmental initiatives 2. Management of chemical substances indicated in laws and regulations, etc., in production processes, products, and services 3. Control and reduction of wastewater, sludge, and air emissions 4. Sustainable and efficient utilization of resources (energy, water, raw materials, etc.) 5. Reduction of greenhouse gases (GHG) 6. Identification, management, reduction, and responsible disposal or recycling of waste 7. Initiatives related to biodiversity |

► Realize Sustainable Supply Chains ► **Activities**



| 9 themes | 47 topics |
|-----------------------------|---|
| (5) Fair business practices | 1. Basic attitude toward fair business practices 2. Establishment of appropriate relationships with local governments and public officials in and outside countries where business activities are conducted 3. Prevention of the giving and receiving of improper advantages with customers and trade partners, etc., in sales and purchasing activities, etc. 4. Prevention of competition law violations in sales activities, etc. 5. Rejection of relationships with antisocial forces/organizations 6. Prevention of unauthorized use of a third party's intellectual property and of illegal reproduction of copyrighted works 7. Services for responding to complaints from outside the company and for consultations 8. Prohibition of insider trading 9. Prohibition of acts with conflicting interests |
| (6) Quality and safety | 1. Basic attitude toward product and service quality and safety 2. Ensuring product and service quality and safety 3. Appropriate response to product and service accidents and the circulation of defective goods |
| (7) Information security | 1. Basic attitude toward information security 2. Defense against attacks on computer networks 3. Protection of personal data and privacy 4. Prevention of misuse of confidential information |
| (8) Supply chain | 1. Basic attitude toward the supply chain 2. Use of raw materials not involved in conflict or crime (initiatives against conflict minerals) |
| (9) Local community | 1. Initiatives to reduce negative effects on local communities 2. Initiatives with local communities towards sustainable development |

■ **Supplementary Questions**

The 2020 Supplier CSR Questionnaire consists of GCNJ-SAQ and supplementary questions. They include questions about "Responsible drinking," which, as written in the Asahi Group Supplier Code of Conduct, is a set of

standards that we ask our suppliers to observe. Other supplementary questions address:

- (1) whether suppliers stay updated on the fulfillment of CSR in the companies from which they procure raw materials (Tier 2 suppliers for the Asahi Group);
- (2) whether Japanese suppliers use the technical intern training program for workers outside Japan;
- (3) whether they acquired certifications for supplying products that are socially responsible;
- (4) their activities relating to the environment; and
- (5) their actions concerning the impact of COVID-19.

The questions about the impact of COVID-19 were partly excerpted from the COVID-19 Supply Chain Survey Program created by the Global Alliance for Sustainable Supply Chain (ASSC). The excerpt had the approval of ASSC.

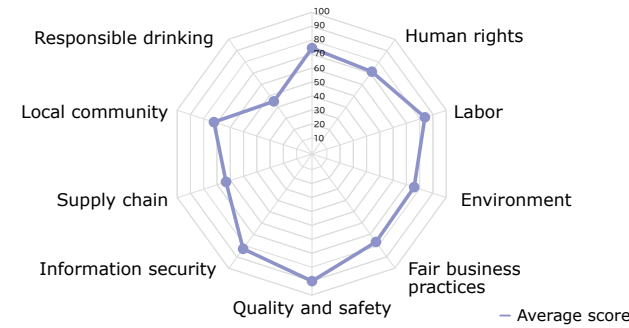
Summary of the Survey Results

■ **Outline of Results**

Based on the Asahi Group Supplier Code of Conduct, the survey results were evaluated in terms of ten themes: the nine themes from GCNJ-SAQ and "Responsible drinking" from the supplementary questions.

Overall, the average score is 77%, with the scores ranging between 46% and 90%. Themes with higher scores are "(3) Labor," "(6) Quality and safety," and "(7) Information security." Themes with lower scores are "(8) Supply chain" and "(10) Responsible drinking." Excluding "Responsible drinking," a new theme, the average scores of the nine themes remained very similar to those of the 2018 survey.

Corporate governance related to CSR (Average score) (%)



| Themes | Number of Questions | Highest Score Rate (%) | Lowest Score Rate (%) | Average Score Rate (%) | Standard Deviation |
|---|---------------------|------------------------|-----------------------|------------------------|--------------------|
| (1) Corporate governance related to CSR | 20 | 100 | 0 | 75 | 26 |
| (2) Human rights | 9 | 100 | 0 | 72 | 27 |
| (3) Labor | 23 | 100 | 0 | 84 | 20 |
| (4) Environment | 15 | 100 | 0 | 76 | 24 |
| (5) Fair business practices | 20 | 100 | 0 | 77 | 24 |
| (6) Quality and safety | 7 | 100 | 0 | 90 | 19 |
| (7) Information security | 9 | 100 | 0 | 83 | 22 |
| (8) Supply chain | 7 | 100 | 0 | 64 | 28 |
| (9) Local community | 4 | 100 | 0 | 73 | 28 |
| (10) Responsible drinking | 4 | 100 | 20 | 46 | 27 |
| Total | 118 | 100 | 0 | 77 | 20 |

► Realize Sustainable Supply Chains ► Activities



■ Summary of Results for Supplementary Questions

(1) Whether Suppliers Stay Updated on the Fulfillment of CSR in the Companies from Which They Procure Raw Materials

More respondents replied positively than in the 2018 survey. Many of these positive responses were from Europe, Oceania, and Southeast Asia.

| | 2018 | | 2020 | | Total |
|-----|-------|-------|------------------|----------------|-------|
| | Total | Japan | Europe + Oceania | Southeast Asia | |
| Yes | 41% | 46% | 86% | 77% | 57% |
| No | 56% | 53% | 9% | 17% | 40% |
| N/A | 3% | 1% | 5% | 6% | 3% |

(2) Whether Japanese Suppliers Use the Technical Intern Training Program for Workers outside Japan
Eleven percent of the Japanese suppliers use the technical intern training program for workers outside Japan. See the table below for the proportions of interns by country of origin. The proportion of interns from Indonesia has increased in comparison with the 2018 survey, whereas the proportions of interns from China, Philippines, and Myanmar have decreased.

| | 2018 | 2020 | Difference |
|---|------|------|------------|
| Suppliers using the technical intern system | 10% | 11% | 1% |

Proportions of Interns by Country of Origin

| Country | 2018 Proportion | 2020 Proportion | Difference |
|-------------|-----------------|-----------------|------------|
| Vietnam | 70% | 71% | 1% |
| Indonesia | 6% | 13% | 7% |
| China | 10% | 7% | -3% |
| Philippines | 8% | 6% | -2% |
| Thailand | 2% | 2% | 1% |
| Mongolia | 0% | 0% | 0% |

| Country | 2018 Proportion | 2020 Proportion | Difference |
|------------|-----------------|-----------------|------------|
| Uzbekistan | 0% | 0% | 0% |
| Cambodia | 1% | 0% | -1% |
| Myanmar | 3% | 0% | -3% |
| Total | 100% | 100% | |

Note: Respondents: Suppliers in Japan

(3) Certifications for Supplying Socially Responsible Products

The following is a list of the top 20 certifications reported by suppliers (from a total of 55 certifications reported) and the proportions of suppliers that have acquired them. Our understanding is that the percentages in the blue parts are much higher in the 2020 survey because the 2018 survey asked this question on an optional basis.

| Certifications | 2018 | 2020 | Difference |
|------------------------|------|------|------------|
| 1 ISO 9001 | 5% | 47% | 42% |
| 2 ISO 14001 | 3% | 36% | 33% |
| 3 FSSC 22000 | 3% | 36% | 33% |
| 4 Sedex | 2% | 25% | 24% |
| 5 HACCP | 0% | 18% | 17% |
| 6 ISO 22000 | 0% | 16% | 16% |
| 7 EcoVadis | 1% | 13% | 12% |
| 8 FSC | 12% | 11% | -1% |
| 9 RSPO | 5% | 7% | 2% |
| 10 OHSAS | 6% | 7% | 0% |
| 11 BRC | 0% | 4% | 4% |
| 12 Halal | 1% | 3% | 2% |
| 13 Rainforest Alliance | 4% | 3% | -1% |
| 14 PEFC | 1% | 3% | 1% |
| 15 Fair Trade | 3% | 2% | 0% |
| 16 GMP | 0% | 2% | 2% |
| 17 GAP | 2% | 2% | 1% |
| 18 ISO 45001 | 0% | 2% | 2% |
| 19 Kosher | 2% | 1% | 0% |
| 20 Organic | 1% | 1% | 1% |

(4) Activities Relating to the Environment

• Certifications and Assessments Relating to the Environment

Supplier activity in Europe and Oceania is much higher than that in Japan and Southeast Asia. Southeast Asia surpasses Japan in the calculation of Scope 3, external verification, and assessment of water risks.

Ninety-three percent of responses to the 2018 survey came from Japanese suppliers. Considering the 2018 survey results to be unique to Japan, it is safe to say that the calculation of Scope 1, 2, and 3 and water risk-related activities have spread in Japan in the last two years.

| | 2018 | | 2020 | | Total | 20 vs 18 (2) - (1) |
|---|-----------|-----------|------------------|----------------|-------|-----------------------|
| | Total (1) | Japan (2) | Europe + Oceania | Southeast Asia | | |
| We create environmental reports or similar reports. | 42% | 42% | 69% | 40% | 48% | 0% |
| We disclose our environmental reports or similar reports. | 28% | 24% | 45% | 26% | 29% | -4% |
| We calculate Scope 1 and 2. | 27% | 33% | 45% | 25% | 35% | 5% |
| We calculate Scope 3. | 14% | 16% | 34% | 31% | 21% | 2% |
| We obtain external verification of Scope 3. | 6% | 5% | 21% | 20% | 10% | -1% |
| We assess water risks. | 33% | 38% | 63% | 43% | 44% | 5% |
| We take measures against water risks. | 31% | 37% | 61% | 48% | 43% | 6% |
| We have a biodiversity conservation policy. | 24% | 27% | 29% | 23% | 27% | 3% |
| We disclose our biodiversity conservation policy. | 14% | 16% | 18% | 12% | 16% | 2% |
| We have a policy to prevent soil pollution. | N/A | 20% | 51% | 37% | 28% | N/A |
| We disclose our policy to prevent soil pollution. | N/A | 8% | 25% | 19% | 13% | N/A |

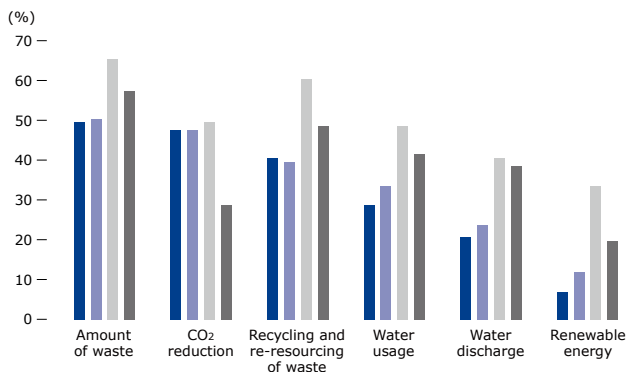
► Realize Sustainable Supply Chains ► **Activities**



• Indicators and Disclosure Relating to the Environment Suppliers in Europe and Oceania set and disclose targets much more than their counterparts in Japan and Southeast Asia do.

Ninety-three percent of responses to the 2018 survey

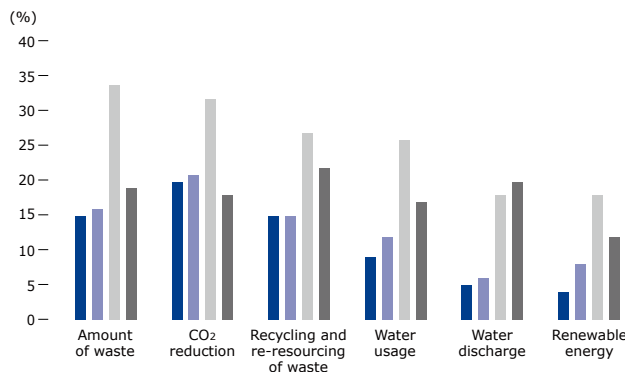
Rate of Target Setting



| | Target setting | | | | | |
|--------------------------------------|----------------|-----------|------------------|----------------|-------|--------------------|
| | 2018 | | 2020 | | | 20 vs 18 (2) - (1) |
| | Total (1) | Japan (2) | Europe + Oceania | Southeast Asia | Total | |
| Amount of waste | 50% | 51% | 66% | 58% | 55% | 1% |
| CO2 reduction | 48% | 48% | 50% | 29% | 46% | 0% |
| Recycling and re-resourcing of waste | 41% | 40% | 61% | 49% | 45% | -1% |
| Water usage | 29% | 34% | 49% | 42% | 38% | 5% |
| Water discharge | 21% | 24% | 41% | 39% | 29% | 3% |
| Renewable energy | 7% | 12% | 34% | 20% | 17% | 5% |

came from Japanese suppliers. Considering the survey results to be unique to Japan, we conclude that activities for managing targets relating to water consumption and renewable energy have spread in Japan in the last two years. Other activities are also spreading, albeit still to a limited degree.

Rate of Target Disclosure



| | Target disclosure | | | | | |
|--------------------------------------|-------------------|-----------|------------------|----------------|-------|--------------------|
| | 2018 | | 2020 | | | 20 vs 18 (2) - (1) |
| | Total (1) | Japan (2) | Europe + Oceania | Southeast Asia | Total | |
| Amount of waste | 15% | 16% | 34% | 19% | 20% | 1% |
| CO2 reduction | 20% | 21% | 32% | 18% | 23% | 1% |
| Recycling and re-resourcing of waste | 15% | 15% | 27% | 22% | 18% | 0% |
| Water usage | 9% | 12% | 26% | 17% | 15% | 3% |
| Water discharge | 5% | 6% | 18% | 20% | 10% | 1% |
| Renewable energy | 4% | 8% | 18% | 12% | 10% | 4% |

(5) Actions concerning the Impact of COVID-19
 • Management System to Tackle the Impact of COVID-19
 Despite some differences in the degree of establishment of a management system, we confirmed that almost all suppliers have an environment for sharing information with employees.

| Please choose which one of the following statements best describes your current management system to tackle the impact of the COVID-19. | | Japan | Europe + Oceania | Southeast Asia | Total |
|---|--|-------|------------------|----------------|-------|
| 1 | We have established a new management system specifically designed to make decisions on measures and policies regarding the COVID-19 situation (e.g., a special committee). We exchange information with all our employees regularly. | 28% | 70% | 60% | 40% |
| 2 | We have established a new management system specifically designed to make decisions on measures and policies regarding the COVID-19 situation (e.g., a special committee). We exchange information with some of our employees regularly. | 14% | 4% | 3% | 11% |
| 3 | We have not set up a new system such as a special committee; however, we discuss the topic at internal meetings regularly as one of the agenda items and take actions accordingly. We communicate necessary information directly to all our employees. | 37% | 17% | 25% | 32% |
| 4 | We have not set up a special committee or meetings for the current crisis; however, we hold meetings with managers and exchange information as and when necessary. The managers communicate necessary information to their team members. | 18% | 6% | 6% | 15% |
| 5 | We are operating under the same management system as before. | 3% | 2% | 6% | 3% |

► Realize Sustainable Supply Chains ► **Activities**



• Workplace Safety and Health Measures

Many suppliers in Japan have difficulty securing social distancing in workplaces and dormitories, while challenges in the flexibility of shifts and telecommuting are more common among suppliers in Southeast Asia.

| | Japan | Europe + Oceania | Southeast Asia | Total |
|---|-------|------------------|----------------|-------|
| Please choose all appropriate statements from below which describe your current safety and health measures. (Please choose all statements which apply to you) | | | | |
| 1 | 98% | 94% | 96% | 97% |
| 2 | 60% | 96% | 93% | 70% |
| 3 | 83% | 90% | 89% | 85% |
| 4 | 91% | 98% | 98% | 93% |
| 5 | 95% | 98% | 96% | 96% |
| 6 | 88% | 96% | 96% | 90% |
| 7 | 97% | 97% | 96% | 96% |
| 8 | 74% | 94% | 90% | 79% |

| | Japan | Europe + Oceania | Southeast Asia | Total |
|---|-------|------------------|----------------|-------|
| Please choose all appropriate statements from below which describe your current safety and health measures. (Please choose all statements which apply to you) | | | | |
| 9 | 92% | 96% | 79% | 92% |
| 10 | 82% | 96% | 77% | 84% |

• Prevention of Discrimination Related to COVID-19

For each of the options, suppliers in Japan implement fewer preventive activities than their counterparts in other geographical areas do.

| | Japan | Europe + Oceania | Southeast Asia | Total |
|--|-------|------------------|----------------|-------|
| Please choose all options which apply to your efforts/actions to prevent discrimination related to COVID-19. (multiple answers possible) | | | | |
| 1 | 70% | 87% | 83% | 75% |
| 2 | 69% | 74% | 82% | 71% |
| 3 | 59% | 86% | 87% | 67% |

| | Japan | Europe + Oceania | Southeast Asia | Total |
|--|-------|------------------|----------------|-------|
| Please choose all options which apply to your efforts/actions to prevent discrimination related to COVID-19. (multiple answers possible) | | | | |
| 4 | 58% | 89% | 90% | 68% |
| 5 | 65% | 94% | 95% | 74% |

• Consultations

In all of the geographical areas, the percentage of suppliers choosing "There is no consultation desk and there is no plan to deal with complaints and other messages for the time being" is very small, suggesting that they are always ready to hear employees' opinions in one way or another.

| | Japan | Europe + Oceania | Southeast Asia | Total |
|---|-------|------------------|----------------|-------|
| Please choose the one that is most appropriate to your consultation from the following. | | | | |
| 1 | 14% | 18% | 13% | 15% |
| 2 | 36% | 20% | 15% | 31% |
| 3 | 10% | 15% | 14% | 11% |

► Realize Sustainable Supply Chains ► Activities



| Please choose the one that is most appropriate to your consultation from the following. | Japan | Europe + Oceania | Southeast Asia | Total |
|--|-------|------------------|----------------|-------|
| 4 Although the company has no consultation desk, we have a system in place to accept complaints and other messages through the person in charge of each department or business unit. | 38% | 45% | 54% | 41% |
| 5 There is no consultation desk and there is no plan to deal with complaints and other messages for the time being. | 2% | 2% | 4% | 2% |

Sharing of the Survey Results and Initiatives for Improvements

■ Feedback Based on the Results

To all of the suppliers that filled out and returned the Supplier CSR Questionnaire, we sent a "Summary of Survey Results for the 2020 Supplier CSR Questionnaire" indicating the differences from the average scores and the ranking among the suppliers that responded. Moreover, booklets summarizing the aggregate results were sent for use as a written report. We hope that the reports will help suppliers to increase their understanding of their strengths and weaknesses and to address their weaknesses so that they continue advancing ESG activities in accordance with the Asahi Group Supplier Code of Conduct.

■ On-site Investigations

We conducted on-site monitoring based on the Supplier CSR Questionnaire from 2016 to 2019. Monitoring confirmed that most items perceived as problem areas in the questionnaire were, in fact, being addressed in one way or another.

In 2020, we planned to visit 12 companies, but decided

to cancel due to the travel restrictions associated with COVID-19. In 2021 and 2022, due to the continued travel restrictions associated with COVID-19 and with the suppliers' understanding, we monitored 12 companies in 2021 and nine companies in 2022 via a videoconferencing system.

As in previous monitoring results, we engaged in direct dialogue with any suppliers who responded "No initiatives" in the questionnaire to confirm that they were, in fact, implementing some initiatives. If the monitoring revealed that a particular issue was not being adequately addressed, we provided suppliers with examples of how the Asahi Group and other companies are dealing with the issue or suggested consulting a labor and social security attorney, legal advisor, or Labor Standards Inspection Office about relevant laws and regulations. In such ways, we are working together with suppliers to develop action plans.

In 2022, the following three issues were identified by many suppliers:

- (1) Instances where various CSR activity-related items, such as policies and guidelines, are not clearly defined.
 - (2) Lack of sufficient publicity both inside and outside of companies where CSR activities are taking place.
 - (3) Insufficient effort regarding responsible drinking.
- The following requests were made with regard to these matters:

- (1) Ensure understanding of Guidelines on Respecting Human Rights in Responsible Supply Chains established by the Japanese government, and clearly state company policies in accordance with these guidelines.
- (2) Start communicating wherever possible, including

through morning assemblies, regular meetings, or CSR information on the company website.

- (3) Create and clearly describe rules for commercial drivers regarding alcohol checks and driving records.

In 2023 we plan to conduct the triennial Supplier CSR Questionnaire. We intend to continue our monitoring activities based on the results. Boosting bidirectional, interactive communication based on responses to the questionnaire should help to encourage ESG activities for both the Asahi Group and its suppliers. We will therefore remain committed to these efforts.

- Related Information**
- CSR/Sustainable Procurement Self-Assessment Tool Set, Global Compact Network Japan
 - Summary of Supplier CSR Questionnaire Results (2015, 2016)
 - Summary of Supplier CSR Questionnaire Results (2018)

Cooperation with Suppliers

At the Asahi Group, we have a range of procedures in place for communicating with our suppliers. With these procedures, we strive to share information with them, raise their awareness, and implement initiatives with them to solve the issues they face.

Initiatives for Quality Improvement

The Asahi Group is pursuing numerous quality enhancement initiatives based on the [Asahi Group Sustainable Procurement Principles](#) and [Asahi Group Quality Principles](#).

► Realize Sustainable Supply Chains ► Activities



- In Japan, we strive to share quality awareness and initiatives with suppliers by regularly conducting Supplier Quality Audits and holding Material QA Meetings with Asahi Group suppliers. Since 2020, these initiatives have been conducted online with attendance by quality control supervisors from supplier factories. We are planning a 2023 meeting to be attended by approximately 50 companies.
- We regularly hold Global Procurement Meetings and Domestic Group Procurement Section Meetings during which our activities regarding quality improvement are shared with all companies in the Asahi Group as we promote Group-wide initiatives. Although Global Procurement Meetings were not held from 2020 to 2022 due to COVID-19, we stayed up to date on the progress through monthly calls. We had three Domestic Group Procurement Section Meetings in 2021 and another three in 2022.
- If we discover any defect in a raw material provided by a supplier, we identify and manage the defective products in an appropriate manner and work with the supplier to probe the cause of the problem and prevent a recurrence in our efforts to solve it together with the supplier.



Asahi Group Material QA Meeting



Global Procurement Meeting

Efforts to Reduce Environmental Impact

The Asahi Group engages in various efforts together with our suppliers to reduce the environmental impact of our supply chain.

Partnering with Italian Farmers

Birra Peroni S.r.l., an Italian subsidiary of Asahi Europe and International Ltd. with a history dating back nearly 170 years, produces five million hectoliters of beer annually at its breweries in Italy. The *Peroni* brand of beers is made of 100% Italian malt, and in order to reliably procure high-quality malt the subsidiary partners with more than 1,500 local farmers. Birra Peroni S.r.l. has consistently adopted revolutionary functions and systems to build a supply chain that can benefit and fulfill the needs of all stakeholders ranging from farmers to consumers. One example of such systems is the *orzobirra.net* online platform made available to farmers. It ensures that farmers can harvest high-quality malt through the integrated management and

sharing of information including farmers' expert knowledge, weather forecasts, soil quality, and crop types. This platform not only enables the stable production of high-quality materials, it also serves to reduce the impact on the environment, for instance, through the more efficient use of fertilizers and agricultural chemicals and through the optimization of soil tillage operations.



Development of the Lightest Domestically Produced 350-Milliliter Aluminum Beer Cans

Asahi Breweries, Ltd. has developed ► the lightest domestically produced 350-milliliter aluminum beer cans (according to an Asahi Breweries, Ltd. survey) in cooperation with can manufacturers as part of its efforts to develop environment-friendly packaging.



► Realize Sustainable Supply Chains ► Activities



Sharing and Raising Awareness with All Suppliers

The Asahi Group is committed to working together with our suppliers to achieve sustainability in society in line with our corporate environmental and social responsibilities. To this end, we actively engage in information sharing and consciousness raising with our suppliers.

Asahi Group Basic Procurement Policy Workshop

Asahi Group Japan, Ltd. holds annual sessions to explain its procurement policy for suppliers who provide raw materials to domestic operating companies. In addition to requesting compliance with the [Asahi Group Supplier Code of Conduct](#), the sessions seek to build continuous partnerships based on collaboration with suppliers and deepen their understanding about the [Asahi Group Sustainable Procurement Principles](#), the [Asahi Group Human Rights Principles](#), the [Asahi Group Environmental Principles](#), the [Asahi Group Responsible Drinking Principles](#), and other Asahi Group principles, along with domestic and international operations and future activities.

This session was held online in 2022 due to the limitations imposed by COVID-19. A total of 147 companies participated in the session, during which we explained the Asahi Group's policies and sustainability activities. Given its establishment in January 2022, we also discussed Asahi Group Japan, Ltd. and the policies of its Procurement section.

In 2022, Asahi Holdings (Australia) Pty Ltd. invited representatives of approximately 100 major suppliers

to its headquarters for an information seminar. There the company held discussions with suppliers about further collaboration in the area of sustainability in order to share the company's best practices, goals, and strategies regarding climate change initiatives (Scope 1, 2, and 3), sustainable packaging, sustainable agricultural raw materials, and sustainable water resources, and to promote initiatives throughout the supply chain.

Conducting Supplier Surveys

Asahi Group Japan, Ltd. conducted a survey of over 50 major suppliers regarding climate change initiatives (Scope 3) in order to gain an understanding of each company's CO₂ reduction targets.

Similarly, Asahi Holdings Southeast Asia Sdn. Bhd. conducted a survey of over 20 major suppliers making large contributions to Scope 3 emissions in order to confirm their CO₂ reduction targets and progress. Moving forward, we will continue to communicate with our suppliers and use the information obtained as the basis for climate change initiatives.

Supplier Training

In pursuing activities with our suppliers to fulfill our environmental and social responsibilities, we conduct appropriate supplier training aimed at enhancing their understanding of the Asahi Group's policies on the environment and society, as well as the current social climate concerning ESG (environmental/social/governance) factors.

Meetings about the on-site survey based on the results

of the annual Supplier CSR Questionnaire were held online in 2022, as was the case the previous year, due to the impact of COVID-19. We checked the specific environmental and social actions taken by our suppliers and provided detailed advice toward improvement, such as by presenting examples of actions taken by other companies. In this way, we are supporting our suppliers' capacity-building efforts.

Supplier Quality Audits

The Asahi Group regularly implements quality audits of suppliers to assess how they address a range of parameters, including process control, quality standards, hygiene management, and employee safety, against targets.

Supplier Evaluations

We conduct annual surveys of our major raw material suppliers in Japan. The surveys are used to assess suppliers' abilities and risks on eight points: management, ESG, quality, cost, delivery times, technical capabilities, supply stability, and responsiveness. The assessment results are provided to each supplier, and regular communication with specific suppliers about needed improvements is undertaken when necessary. In 2022, 50 raw material suppliers and 73 other material suppliers were evaluated.*

* Evaluations were performed by Asahi Breweries, Ltd., and Asahi Soft Drinks Co., Ltd.

► Realize Sustainable Supply Chains ► Activities

Approaching New Suppliers

The Asahi Group selects new suppliers by comprehensively assessing opportunities and risks of items such as quality, price, delivery dates, and supply stability as well as the supplier's technology, stance on compliance and the environment, and respect for human rights. Upon the initiation of dealings, the Group explains the Asahi Group Supplier Code of Conduct to the suppliers and asks them to comply with it, and then concludes a trade contract agreement clearly prescribing compliance with the relevant laws.

**Related Information**

- [Asahi Breweries, Ltd. Website for Suppliers:
The Entry Sheet](#)
- [Asahi Breweries, Ltd. Website for Suppliers:
The Flow Chart of Business Procedure](#)
- [Procurement Clean Line System](#)

Secure Food Safety and Reliability



Management

Approach

In order to safely deliver to customers products and services representing the “Excellence in quality” that is part of the Asahi Group Philosophy, the Asahi Group formulates strict quality standards of every kind based on the Asahi Group Quality Principles and ensures that those standards are followed. Throughout all processes in the value chain, from product planning and development to raw materials procurement, production, logistics, sales, and communication with customers, the Group strives to ensure safety and security and provide products and services exceeding the expectations of customers.

Policies

Asahi Group Quality Principles
 We win consumer satisfaction by consistently exceeding expectations with our products and services. This covers all processes from product development, material procurement, production, logistics, distribution and sales to communication with our consumers and customers.

1. By listening closely to the opinion of consumers, we create new value through the provision of products and services which anticipate their future needs.
2. By striving for quality until the final moment products are consumed, we will build a brand trusted by consumers.

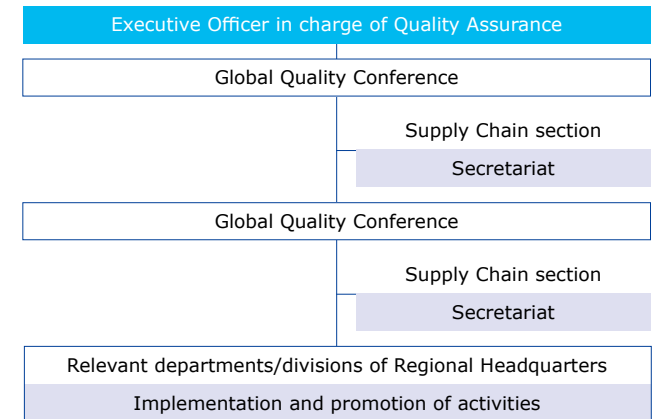
3. Ensuring food safety is fundamental; we not only comply with all laws, but also enhance the quality based on ensuring food safety by embracing international quality and food safety management systems and fully understanding quality requirements of each country and region.

Governance

Asahi Group Holdings, Ltd. promotes quality assurance activities across the entire Group. These activities include the proposal of Group-wide quality assurance strategies as well as the development and sharing of related policies. The Group Quality Conference, which also plays the role of a sustainability task force, highlights the requirement that all Group companies thoroughly implement QA strategies and policies and shares knowledge and expertise about quality-related risks and corrective measures.

Group companies have established quality assurance systems that are appropriate for their respective business fields based on a shared view and in accordance with the Asahi Group Quality Principles. They also reflect the opinions of customers in their quality assurance activities.

Group Quality Management System



Thorough Compliance with Quality Standards

The Asahi Group implements many different efforts under the governance of Asahi Group Holdings, Ltd. to ensure thorough compliance with quality standards.

Quality Audit

Regularly, the Asahi Group combines the following multistage quality audits to ensure the effectiveness and reliability of the quality management systems of its Group companies and the quality and safety of its products and services as it pursues continued improvement.

- Quality self-audits conducted within the companies (manufacturing sites);
- Mutual quality audits conducted by companies in the same area;
- Regional Headquarters quality audits of companies under the headquarters’ jurisdiction;

► Secure Food Safety and Reliability ► Management



- Asahi Group Holdings, Ltd. quality audits of the Regional Headquarters or companies of the Group; and
- Quality audits conducted by third-party agencies outside the Group



Quality audit meeting



Audit in progress at a production site

Asahi Group Holdings, Ltd. conducts quality audits in cooperation with Group companies' audit and quality assurance departments. The audits are based on the audit standards specified in the internal audit rules and global quality standards. Accordingly, the status of the operations of quality systems and the status of the management of manufacturing sites are reviewed on site. Asahi Group Holdings, Ltd. pursues quality improvements throughout the Group by encouraging improvement actions for specified problems.

Group Quality Conference

The Group Quality Conference is regularly held under the management of the officer in charge of Asahi Group Holdings, Ltd. QA managers from Japan, Europe, Oceania, and Southeast Asia gather at the conference to discuss quality assurance within the Group and share related information and knowledge.

<Major Activities at the Group Quality Conference>

- Development and sharing of quality assurance policies
- Inspect cases of quality defects, prevent similar incidents, and horizontally deploy knowhow throughout Group companies
- Share information on quality risk and risk management
- Share initiatives and knowhow related to quality assurance




Group Quality Conference

Risk Management

The Asahi Group recognizes the risks of threats to customer health due to quality accidents arising from unforeseen circumstances. Under our Group-wide enterprise risk management (ERM) system, these risks are classified among those to be managed by divisions such as the Procurement section and Supply Chain section of Asahi Group Holdings, Ltd. and Regional Headquarters, and are identified, prioritized, responded to, and monitored on an ongoing basis.

Strategies

In compliance with the  Asahi Group Quality Principles, the Asahi Group establishes and maintains its Global Quality Standards that apply to processes and activities in each stage of a supply chain. They are based on ISO, HACCP, GMP, and other international standards for quality and food safety, and also include some requirements unique to the Asahi Group.

Asahi Group companies ensure that their own quality and safety management systems (e.g., policies, standards, procedures) live up to the Global Quality Standards and that they are reflected in their everyday activities to provide safe, secure products and services of high quality to our customers.

► **Secure Food Safety and Reliability** ► **Management**



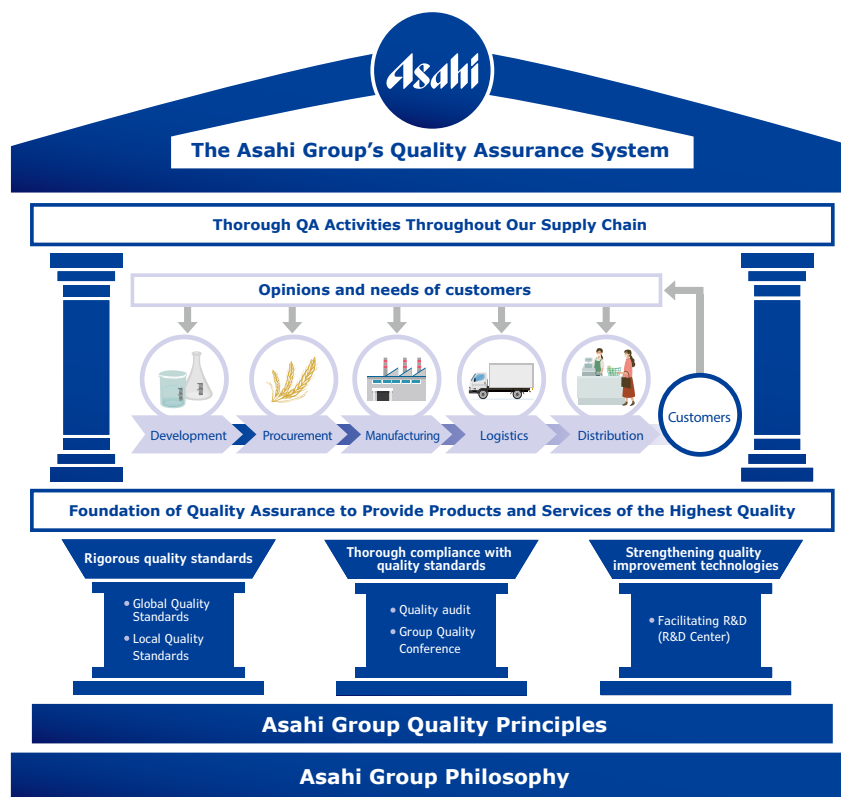
Asahi Global Quality Standards

The Asahi Group has established and implements Global Quality Standards for many of its activities, beginning from product planning and development and extending to the procurement of raw materials, manufacturing, logistics, sales, and communications with customers.

<Scope of Application of Asahi Global Quality Standards>

- Operation of a quality management system;
- Purchase management;
- Storage and transportation;
- Communication with customers;
- Information management;
- Product development;
- Manufacturing management and quality inspections;
- Sale of products;
- Education and training; and
- Quality audits, among others

Overview of Our QA System



Related Information ► [Activities \(Secure Food Safety and Reliability\)](#)

Metrics and Targets

Group-wide Targets

| Targets | SDGs (Contributable Goals and Targets) |
|---------------------------------|---|
| Achieve zero quality accidents* | 3.2/3.4 |

*Quality accidents indicate the number of product recalls made public through a newspaper announcement or on our website on the grounds of a violation of the related regulations and voluntary rules specified in GRI Standards 416-2 and 417-2.

Plans for Each RHQ

| Organizations | Targets | SDGs (Contributable Goals and Targets) |
|---------------|--|---|
| AHSEA | • Acquire FSSC 22000 certification for all manufacturing sites by 2024 | 3.2/3.4 |

Related Information ► [Progress on Material Issue Initiatives \(in 2022\)](#)

Related SDGs



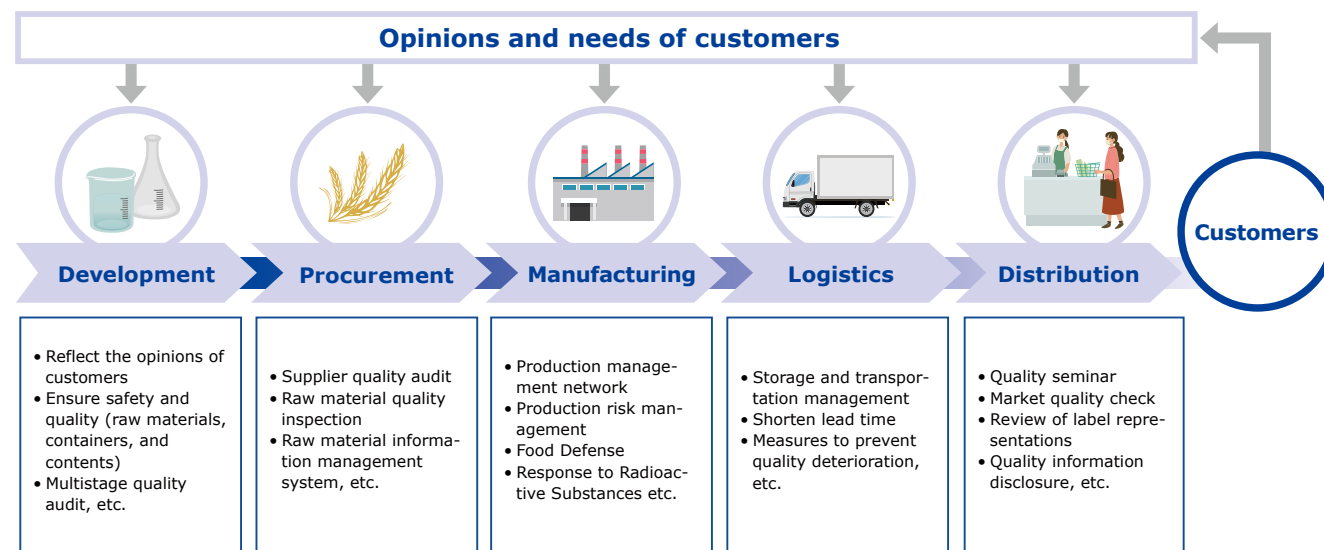
- Related Information ► [Activities \(Secure Food Safety and Reliability\)](#)
- [Examination of Labeling and Expressions](#)
 - [Communication with Customers](#)
 - [Asahi Group Initiatives That Provide Customers with Reliability \(Japanese only\)](#)

► Secure Food Safety and Reliability

Activities

The Asahi Group is thoroughly committed to the quality assurance activities throughout its supply chain, from product planning and development to the procurement of raw materials, manufacturing, logistics, sales, and communication with customers. We are ready to respond to any quality problem whenever one may occur. When a problem surfaces,

we take all measures to identify its cause and quickly and properly resolve it. Within the Group, we share the expertise obtained through these actions, and leverage it to prevent the recurrence of similar problems in every area we operate within and to lead toward continuing quality improvement.



Related Information

- Asahi Breweries, Ltd. (Japanese only)
- Asahi Soft Drinks Co., Ltd. (Japanese only)
- Asahi Group Foods, Ltd. (Japanese only)
- Asahi Biocycle Co., Ltd.

Development

During product development, the Asahi Group rigorously examines quality to ensure that the products and services provided to customers satisfactorily achieve the quality that they are designed to have, so that these products provide safety and security.

The Asahi Group tests and reviews the quality risks surrounding raw materials, container materials, manufacturing methods, labeling, and other particulars under the leadership of the division responsible for that specific area. Throughout the product development process there are many stages that involve a quality review gate, and we carefully examine everything to ensure compliance with relevant laws and the Group's quality standards

Strengthening Quality Improvement Technologies

To continue the pursuit of quality improvement, the Asahi Group has established a sophisticated system for research and development and it is committed to developing and strengthening specialized technologies.

Analytical Science Laboratories—Research and Development of Food Safety Assurance Technologies

The Asahi Group develops the latest analytical technologies related to food safety, chiefly in the Analytical Science Laboratories. It covers a wide range of areas, including microorganisms, agricultural chemicals, mycotoxins, heavy metals, and resins, as well as radioactive substances. The Laboratory

► Secure Food Safety and Reliability ► Activities



technologically supports the Asahi Group's sophisticated safety assurance system.

Scientific analysis of data for reliable quality assurance is crucial to the delivery of safe and secure products to customers. The Analytical Science Laboratories employ cutting-edge analytical technologies to develop new analytical methods and ensure the quality of the Group's products and raw materials, maximizing the Laboratories' advanced technological strengths.

To increase food safety throughout the Asahi Group, technological support is provided to Group companies.



Related Information

- [Asahi Quality & Innovations, Ltd. Analytical Science Laboratories](#)
- [Research and Development of the Asahi Group](#)

Procurement

The Asahi Group is committed to procuring safe raw materials. To this end, the Group imposes rigorous quality standards on the raw materials used in its products and regularly audits the quality provided by its suppliers to ensure food safety, the single largest obligation of a food manufacturer.

Further, the Group is increasing the traceability of its raw materials and product data and leverages it to quickly respond to problems and thoroughly manage product quality.

Our Basic Policy on Genetic Modification

The Asahi Group complies with the national laws and regulations in all the countries and regions in which it operates regarding the use and labeling of genetically modified agricultural products and processed foods made from them.

We verify information on the genetic modification of agricultural raw materials and processed agricultural materials that are being considered for use. In addition, decisions about the use and labeling of products are made in accordance with each country and region's laws and regulations regarding the use and labeling of genetically modified materials in foods.

Manufacturing

The Asahi Group's production management system guarantees that its products are made in accordance with established processes and that the standard for quality has been achieved in each part of the process. The Group designs its systems so that it is impossible to proceed to the next step in the process if any problem has been detected, its cause has not been identified, and quality has not been ensured.

To reduce the quality risk factors to as close to zero as possible, we identify potential problems that may occur in a manufacturing process from different perspectives. This involves, for example, focusing on the actual workplaces, materials, and conditions of the processes, and tirelessly working to predict problems, identifying any hint of trouble before it occurs. The Asahi Group regards these actions as a prerequisite for quality, and has included them in the quality standards common to all Group companies. All of our production locations follow rigorous requirements and accordingly conduct annual quality inspections in pursuit of continued quality improvement.

Food Defense Initiatives

The Asahi Group has established guidelines demonstrating our attitude with regard to food defense response at manufacturing sites, and is continuously working to construct a quality assurance system based on multilateral risk analysis from the viewpoints of quality and safety management, service, and infrastructure.

Food defense activities, which include creating relationships of trust with employees (communication, education, etc.), managing manufacturing sites entry,

▶ Secure Food Safety and Reliability ▶ Activities



managing access to manufacturing sites, restricting the bringing in of items to manufacturing sites, and chemical management, are being promoted and incorporated into various initiatives from both service and infrastructure facets to give our customers peace of mind.

Response to Product Complaints and Accidents

We formulated the Asahi Group Recall Rules and the Asahi Group Response Manual for Serious Quality Issues to structure our response to serious accidents related to our products. Under the guidelines, incidents are promptly reported through a designated emergency channel to the president and a task force is established to handle the situation.

In responding to accidents, we place top priority on safeguarding the lives (health) of our customers and make a company-wide effort to minimize any damage through the following basic approach.

- (1) We endeavor to ascertain the facts and circumstances, promptly disclose necessary information to prevent increases in damage and concern.
- (2) We take the initiative in taking every appropriate action for our customers and society, including disclosure to the mass media, corporate announcements (information calling for attention), recalls, and so forth.
- (3) We promptly report to the supervising authorities and quickly respond to any requirements.

In the event of a voluntary recall, the background of the situation and the shape of our response are discussed and shared. Subsequently, initiatives are taken for the prevention of recurrence within the Group and the strengthening of the Quality Assurance System.


Response to Radioactive Substances

As a solution for radioactive substances in Japan, the Asahi Group engages in the following activities and is organizationally adapted to the new standard values for radioactive substance content in food (Japanese only) which began to be enforced in April 2012.

Our Basic Policy

1. Based on the standards and directives promulgated by the national government and related agencies, we will establish control standards for each process stage starting from the procurement of raw materials to manufacturing in order for all Group products to conform to the abovementioned criteria, and will adhere to them.
2. For the water, environment, and raw materials used for manufacturing, we will verify their safety by quickly ascertaining the information concerning the status of governmental monitoring of the radioactive substances and the analysis results from the suppliers.
3. In conjunction, we will conduct voluntary inspections on a periodic basis, and our verification process for safety will be thoroughly followed through.
4. If there is any deviation from the control standards or in the case of any suspicion thereof, the process will be suspended immediately, and the cause will be determined while we take steps for countermeasures.
5. We will periodically test the effectiveness of the quality assurance system, and continue to make improvements.
6. We will strive for the spreading of appropriate information that is appropriate to social responsibility.

<Inspection System for Radioactive Substances>

1. The Group is equipped with five germanium semiconductor detectors that can make a detailed analysis of radioactive substances (cesium-134 and cesium-135). Furthermore, we arrange scintillation spectrometers and survey meters as we see fit and implement voluntary inspection.
2. Target of analysis
We set the frequency of monitoring of raw materials, water used, products, and materials such as containers as well as of the environment depending on the characteristics of the products and the location of factories.
3. Method of analysis
Our analysis conforms to the notice “ On the Testing Method for Radioactive Substances in Food (Japanese only),” which was issued by the Ministry of Health, Labour and Welfare.
We continue to abide by the guidance of the national government and local governments while paying attention to the various pieces of information on radioactive substances and keep striving to strengthen our quality assurance system.



Secure Food Safety and Reliability ▶ **Activities**



- Related Information
- Asahi Breweries, Ltd. (Japanese only)
 - Asahi Soft Drinks Co., Ltd. (Japanese only)
 - Asahi Group Foods, Ltd. (Japanese only)

Status of Acquisition of Certifications

Asahi Group companies have acquired product quality and safety certifications, primarily including the following.

Key Quality-related Certifications at Major Production Sites

| Company name | Key product | Number of production sites | Quality/safety certification |
|-----------------------------------|----------------|----------------------------|--|
| Asahi Breweries, Ltd. | Beer | 6 sites | ISO 9001: 6 sites ISO 22000: 1 site FSSC 22000: 5 sites JFS-C: 1 site |
| Nikka Whisky Distilling Co., Ltd. | Western liquor | 8 sites | ISO 9001: 8 sites ISO 22000: 8 sites |
| Asahi Soft Drinks Co., Ltd. | Soft drinks | 7 sites | ISO 9001: 7 sites FSSC 22000: 7 sites |
| Asahi Group Foods, Ltd. | Food | 7 sites | FSSC 22000: 5 sites Health Food GMP: 2 sites |
| Asahi Biocycle Co., Ltd. | Feed | 1 site | ISO 9001: 1 site FAMI-QS: 1 site |

| Company name | Key product | Number of production sites | Quality/safety certification |
|--|-----------------------------------|----------------------------|---|
| Birra Peroni S.r.l. (Italy) | Beer | 3 sites | ISO 9001: 3 sites FSSC 22000: 3 sites |
| Koninklijke Grolsch N.V. (Netherlands) | Beer | 1 site | ISO 9001: 1 site FSSC 22000: 1 site |
| Plzeňský Prazdroj (Czech Republic) | Beer | 3 sites | ISO 9001: 3 sites FSSC 22000: 3 sites |
| Plzeňský Prazdroj Slovensko, a.s. (Slovakia) | Food | 1 site | ISO 9001: 1 site FSSC 22000: 1 site |
| Kompania Piwowarska SA (Poland) | Beer | 3 sites | ISO 9001: 3 sites FSSC 22000: 3 sites |
| Ursus Breweries SA (Romania) | Beer | 3 sites | ISO 9001: 3 sites FSSC 22000: 3 sites |
| Dreher Sörgyárak Zrt. (Hungary) | Beer | 1 site | ISO 9001: 1 site FSSC 22000: 1 site |
| Asahi Beverages Pty Ltd. (Australia and New Zealand) | Soft drinks and alcohol beverages | 12 sites | ISO 9001: 2 sites ISO 22000: 1 site FSSC 22000: 7 sites HACCP: 3 sites |
| Etika Beverages Sdn. Bhd. (Malaysia) | Soft drinks | 1 site | ISO 9001: 1 site FSSC 22000: 1 site HACCP: 1 site |
| Etika Dairies Sdn. Bhd. (Malaysia) | Dairy products | 1 site | ISO 9001: 1 site FSSC 22000: 1 site HACCP: 1 site |
| PT. Etika Manufacturing Indonesia (Indonesia) | Soft drinks | 1 site | FSSC 22000: 1 site |
| PT. Etika Dairies Indonesia (Indonesia) | Soft drinks | 1 site | ISO 22000: 1 site HACCP: 1 site |
| Calpis America, Inc. (United States) | Feed | 1 site | ISO 9001: 1 site FAMI-QS: 1 site HACCP: 1 site CGMP: 1 site SF/SF (FSC36): 1 site |

Note: As of February 1, 2023

Logistics

Temperature changes and vibration during the transportation and storage of a product may cause the quality of the product to deteriorate. Maintaining the quality of the exterior of the package requires very careful loading and unloading operations. The Asahi Group strives in its logistics operations to ensure that the products delivered to customers retain the highest level of quality.

Distribution

The Asahi Group obeys the laws and rules that govern its explanations, representations, and advertising activities implemented for its products and services, and provides customers with correct information. Further, the Group ensures that preliminary reviews are thoroughly conducted to prevent any misunderstandings the customers might have.

Examination of Labeling and Expressions

At the Asahi Group, we have established a body for the screening and examination of labeling and expressions used on sales promotional materials for products and giveaways and on advertising material from multiple perspectives. There are global rules defined for screening, which involves the investigation of the appropriateness of labeling and expressions from diverse viewpoints, including individual laws and regulations, safety, social

► Secure Food Safety and Reliability ► Activities



responsibility, environmental issues, and discrimination problems. Potential risks and problems are detected and advice is given in the form of proposals for improvement, and only products and advertising materials that have been screened are released on the market.

Employees involved in the screening and examination of labeling and expressions attend training sessions to communicate the important information that all staff involved in these processes should be aware of, including information on recent legal revisions related to product labeling and advertising self-regulations.

Alcohol Beverages Business

Asahi Breweries, Ltd. established the Labeling and Expression Review Examination Board in 1995 as a body to review and examine labeling and expressions in advertising materials from multiple perspectives. In 2001, the screening of products and promotional material was added to the Board's responsibilities, and enhancements have been made in such aspects as the Board's functions, its membership, and its system for following up on its findings. Today, the Board conducts reviews from the diverse perspectives of its members drawn from planning and production sections responsible for new product development, advertising, and sales promotion, as well as those from sections engaged in legal matters, trademark protection, quality assurance, customer relations, environment ARP, and manufacturing.

The Board meets regularly (semiweekly since 2020), and only products and advertising material that have been screened are released onto the market. All issues identified by the Board are recorded in its minutes, including reports

on remedial measures by relevant sections, and the minutes are utilized in daily business activities.

Meetings of the Labeling and Expression Review Examination Board

| | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-------|-------|-------|-------|-------|
| Number of meetings | 48 | 49 | 87 | 89 | 91 |
| Number of draft proposals | 3,058 | 2,786 | 3,532 | 4,827 | 4,927 |
| Number of issues requiring further reporting | 351 | 311 | 423 | 530 | 541 |

Note: Scope of Aggregation: Asahi Breweries, Ltd.

Soft Drinks Business

In the labeling of products and representations in advertising, Asahi Soft Drinks Co., Ltd. complies with related laws and regulations as well as company standards and guidelines established by an internal team specializing in labeling. It is working toward labeling that is easy for customers to understand and directs attention to matters requiring it.

■ Cautionary Labeling

To ensure that customers can safely enjoy the company's products without worry, product packages carry some cautionary notes. For example, products sold in PET bottles carry notes such as "Consume shortly after opening." Canned products may carry warnings that they should not be heated over an open flame while still in their can. Matters requiring special attention are displayed using large print or in a contrasting color to make them stand out.

■ Food Allergen Labeling

Asahi Soft Drinks Co., Ltd. labels its products on the use of the seven specified ingredients subject to mandatory allergen labeling as well as the 21 specified ingredients recommended for labeling. In addition, a list that consumers can consult to verify the use of the 28 specified ingredients for allergen labeling is provided on the company's website.

■ Universal Labeling

Asahi Soft Drinks Co., Ltd. has incorporated universal design into various products so that a large number of people can enjoy its products regardless of their age, build, or physical ability.

In product package labeling, care is taken to use colors that ensure information is accurately conveyed to everyone, taking into account that different individuals may perceive colors differently.

Food Business

Asahi Group Foods, Ltd. has established a Labeling Committee consisting of members drawn from management, research and development, marketing, legal affairs, quality assurance, customer relations, and other sections. The committee checks the labeling and expressions of each product and advertisement. The company is working toward labeling and expressions that are compatible with various applicable laws and regulations and are understood easily and trusted by customers.

The company also has a Quality Assurance (QA) Committee, which meets regularly to share quality complaints received from customers, analyze their causes,

► Secure Food Safety and Reliability ► **Activities**



and develop measures for improvement. The QA Committee is chaired by the president and consists of members of corporate management as well as all senior general managers, and it is striving to further improve quality.

Related Information

- [Asahi Breweries, Ltd. \(Japanese only\)](#)
- [Asahi Soft Drinks Co., Ltd. \(Japanese only\)](#)
- [Asahi Group Foods, Ltd. \(Japanese only\)](#)
- [Asahi Europe and International Ltd.](#)

■ Labeling and Advertising Efforts

Examples of Legally Required and/or Voluntary Labeling and Expressions on Product Packages (Asahi Breweries, Ltd.)

| Topic | Content |
|---|--|
| Net alcohol content (grams) | To make it easier for customers to choose the right alcohol product, Asahi Breweries, Ltd. discloses the net alcohol content (grams) contained in its main products on the can body and its website. |
| Warning against drinking while pregnant, breastfeeding, or underage (less than 20 years of age) | The following warning should be displayed on the containers of alcohol beverages: "Drinking alcohol during pregnancy or breastfeeding may adversely affect the development of the fetus or infant. You are not permitted to drink alcohol beverages if you are underage (less than 20 years of age)." And the "Alcohol Beverage" mark is printed to prevent misidentification as a soft drink. |
| Braille | To assist visually impaired customers so that they do not accidentally drink alcohol beverages without intending to, we have put the Braille for "alcohol" and other words on the top of all canned alcohol products. |

■ Our Response to Food Allergy

Food Allergen Labeling

Whenever using an allergen-containing ingredient, the Asahi Group appropriately labels its products and discloses this information in compliance with related national and regional laws. In Japan, we verify with the ingredient manufacturers and suppliers any use of the seven specified ingredients subject to mandatory allergen labeling under the Food Labeling Standards as well as the 21 specified ingredients recommended for allergen labeling, and we strive for appropriate labeling.

- Seven specified ingredients subject to mandatory allergen labeling: egg, milk, wheat, buckwheat, peanuts, shrimp, and crab.
- Twenty-one specified ingredients recommended for allergen labeling: apple, orange, soy, sesame, etc.

In addition, at the Group Quality Conference, information on any move to review laws and regulations on allergen labeling will be shared with each Group company. Although allergen labeling is not required for alcohol, we strive for easy-to-understand labeling.

Related Information

(Labeling for allergic ingredients contained in each product)

- [Asahi Soft Drinks Co., Ltd. \(Japanese only\)](#)
- [Asahi Group Foods, Ltd. \(Japanese only\)](#)

Communication with Customers

The Asahi Group conducts responsible marketing with regard to product package labeling and advertising activities, striving for labeling and expressions that are trusted by customers. As such, starting with our compliance with the related laws and regulations* in each country and region, we pay heed to alcohol-related issues such as underage drinking as well as to safety, human rights issues, environmental issues, and social ethics. We pay great attention to appropriate labeling and expressions.

In addition, we position the voices of our customers or outlets as one of our assets that elevate the quality of our management. We develop and improve our products and services while seeking to grasp each and every one of the issues through active dialogue with our customers. Through such efforts, we continuously improve our customer satisfaction while we use their voices in formulating policies for management and activities.

* In Japan: In addition to the Food Sanitation Act, the Food Labeling Act (including "Food Labeling Standards" defined by this law), Health Promotion Act, Act for Standardization and Proper Labeling of Agricultural and Forestry Products, Liquor Tax Act, Act Concerning Liquor Business Associations, Antimonopoly Act, Act against Unjustifiable Premiums and Misleading Representations, Fair Competition Code, etc.

Related Information

- [Our Approach towards 'Infant Formula' Distribution](#)

Secure Food Safety and Reliability Activities



Consumer Orientation Declaration

The Asahi Group has announced its initiative policy toward realizing consumer-oriented management in its "Consumer Orientation Declaration."

Related Information [Consumer Orientation Declaration \(Japanese only\)](#)

Management System for Our Customers System for Collecting Customer Feedback and Incorporating It into Our Business Activities

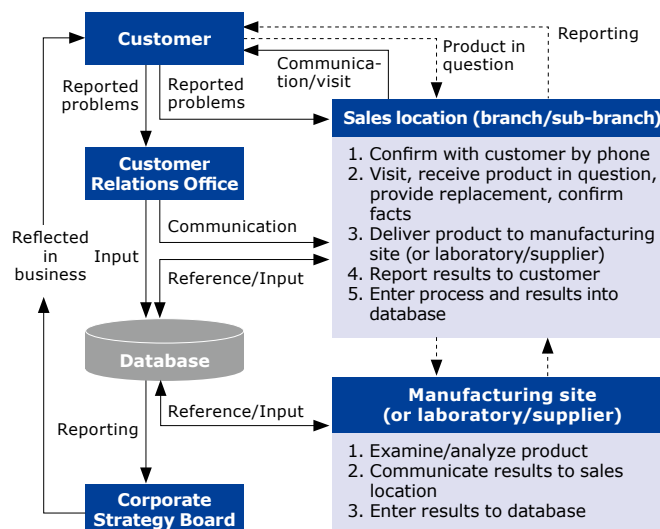
Customer Relations Offices at Asahi Group companies strive to consider each comment promptly, accurately, and respectfully. All customer inquiries, including comments and opinions, requests, and problems, are entered into an in-house database and utilized in developing products and services as well as in formulating policies for our management and activities.

Related Information [Asahi Breweries, Ltd. \(Japanese only\)](#)
[Asahi Soft Drinks Co., Ltd. \(Japanese only\)](#)
[Asahi Group Foods, Ltd. \(Japanese only\)](#)

System for Management to Monitor the Voices of Our Customers

At each Asahi Group company, the voices of our customers are regularly summarized in reports for management and incorporated into our business activities.

Flow of Response to Reported Problems (Example of Operating Companies in Japan)



Employee Education and Training

To pursue responsible marketing, the Asahi Group offers training and education to employees engaged in related operations.

Alcohol Beverages Business

Asahi Breweries, Ltd. holds workshops for employees newly appointed to marketing positions on compliance as it pertains to marketing and on laws and regulations related to labeling and expressions. The company also shares issues identified by the Labeling and Expression Review Examination Board with relevant sections as needed.

Soft Drinks Business

Asahi Soft Drinks Co., Ltd. pursues quality assurance activities on an organizational level through each employee's own skills development and resulting job expertise. With the aim of training personnel that can support quality, the company provides various training opportunities to raise the level of knowledge on quality and to enhance employee awareness that quality comes first. Specifically, training sessions are conducted on such themes as product knowledge, various laws and regulations, giveaways and advertisements, and the content of consumer promotions, and employees from sales and various other sections have participated.

Food Business

At Asahi Group Foods, Ltd., departmental workshops are held under such themes as updates on labeling-related laws, regulations, and rules, as well as knowledge sharing on instances of violations.

► Outside Evaluations/Awards



Inclusion in SRI Indexes

The Asahi Group has been included in several major ESG indexes and funds worldwide. ESG is an investment approach that uses valuation criteria for investment decisions based on social perspectives, such as environmental consideration and corporate citizenship, in addition to financial considerations.

[Related Information](#) > [Inclusion in SRI Indexes](#)

Evaluations for Promotion of Diversity and Employee Health Management

The Asahi Group has spent many years building up a workplace environment where every employee can work energetically and in good health. For the activities, we have received many different awards and certifications.

[Related Information](#) > [Evaluations for Diversity Promotion](#)

[Related Information](#) > [Evaluations for Health Management](#)

Evaluation of IR Activities

The Asahi Group has been highly rated in terms of its timely and appropriate disclosure of information, its easy-to-understand explanatory materials and its proactive approach to Investor Relations (IR), even with regard to individual investors, and this has led to the Group receiving a wide range of awards.

[Related Information](#) > [History of Awards relating to IR \(Japanese only\)](#)

Evaluations for Environmental Conservation Activities

As a result of our environmental conservation activities, the Asahi Group has received various environment-related awards and certifications.

[Related Information](#) > [Environmental Awards and Certifications \(Environmental Achievements\)](#)

▶ Data



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| Items | Major Target Companies |
|--|--|
| CO ₂ Emissions (Totals and Basic Units) | <ul style="list-style-type: none"> •Japan: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., The Nikka Whisky Distilling Co., Ltd., Enoteca Co., Ltd., Asahi Draft Marketing, Ltd., Asahi Beer Malt, Ltd., Asahi Beer Feed Co., Ltd., Asahi Soft Drinks Co., Ltd., Calpis Co., Ltd., Asahi Group Foods, Ltd., Asahi Biocycle Co., Ltd., Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., West Japan AB Cargo Co., Ltd., Asahi You. Us, Ltd., Asahi Food Create, Ltd., Nadaman Co., Ltd., Asahi Professional Management Co., Ltd., Asahi Business Solutions Co., Ltd., Asahi Beer Communications, Ltd., Asahi Group Engineering Co., Ltd., Asahi Quality & Innovations, Ltd. •Europe: Kompania Piwowarska SA (Poland), Plzeňský Prazdroj, a.s. (Czech Rep.), Plzeňský Prazdroj Slovensko, a.s. (Slovakia), Ursus Breweries SA (Romania), Dreher Sörgyárak Zrt. (Hungary), Birra Peroni S.r.l. (Italy), Koninklijke Grolsch N.V. (Netherlands), Asahi UK Limited (UK) •Oceania: Asahi Holdings (Australia) Pty Ltd., CUB Pty Ltd, Asahi Beverages Pty Ltd., Asahi Beverages (NZ) Ltd. •Southeast Asia: Etika Beverages Sdn. Bhd., Etika Dairies Sdn. Bhd. |
| Energy Consumption and Basic Units | |
| Renewable Electricity Consumption, Percentage of Renewable Electricity Consumption | |
| Water Consumption, Volume of Wastewater | |

*The companies in the scope for 2022 represent 97% of the Group as a whole (based on net sales).

Additional Information for Scope 3 Calculation

| Scope 3 Category | Additional Information |
|--|--|
| (1) Products and services purchased | •AEI only covers GHG emissions from the procurement of manufacturing materials. |
| (2) Capital goods | •AEI result is not applicable. |
| (5) Waste generated in the business | •AEI result is not applicable. |
| (6) Business trips | •AHA excludes GHG emissions from public transport, rented cars, taxi use in New Zealand, and non-CUB ride sharing. |
| (7) Commutes of employees | •AEI result is not applicable. •AHA covers GHG emissions from telecommuting. |
| (8) Lease assets (upstream) | •CO ₂ emissions from leased assets are included in Scope 1 and 2. •AEI excludes GHG emissions associated with energy use in warehouses and secondary distribution centers after the primary distribution centers. It also excludes GHG emissions from the storage (refrigeration) of sold products at home. •AHA excludes GHG emissions associated with the transportation of waste from end consumers to landfill/recycling facilities. In addition, only AHA also calculates the leakage emissions of HFCs. |
| (9) Transportation and delivery (downstream) | |
| (10) Processing of sold products | •There are no intermediate products on which to report. |
| (11) Use of sold products | •There is no use of sold products on which to report. |
| (12) Disposal of sold products | •AEI results are included in Category 1. |
| (14) Franchising | •There are no franchises. |
| (15) Investments | •Investments are not applicable due to the characteristics of the business. |

| | |
|--|---|
| Volume of By-products and Waste Generated, and Basic Units | <ul style="list-style-type: none"> •Japan: Asahi Group Holdings, Ltd., Asahi Breweries, Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Beer Malt, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., Asahi Biocycle Co., Ltd. •Europe: Kompania Piwowarska SA (Poland), Plzeňský Prazdroj, a.s. (Czech Rep.), Plzeňský Prazdroj Slovensko, a.s. (Slovakia), Ursus Breweries SA (Romania), Dreher Sörgyárak Zrt. (Hungary), Birra Peroni S.r.l. (Italy), Koninklijke Grolsch N.V. (Netherlands), Asahi UK Limited (UK) •Oceania: CUB Pty Ltd, Asahi Beverages Pty Ltd., Asahi Beverages (NZ) Ltd. •Southeast Asia: Etika Beverages Sdn. Bhd., Etika Dairies Sdn. Bhd. |
|--|---|

*The companies in the scope for 2022 represent 90% of the Group as a whole (based on net sales).

| | |
|--|---|
| Emissions of NO _x , SO _x , and Exhaust Gases | •Japan: Asahi Breweries, Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Beer Malt, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd. |
|--|---|

*The companies in the scope for 2022 represent 43% of the Group as a whole (based on net sales).

| | |
|---|--|
| Volume of CO ₂ Emissions During Transportation | •Japan: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. |
|---|--|

*The targeted companies of the Asahi Group are Specified Consignors under the Energy Saving Act.

Employee-related Data

| Representation | Scope of Aggregation |
|---|---|
| Entire Asahi Group | Asahi Group Holdings, Ltd. and all of its consolidated subsidiaries |
| Major Asahi Group Companies in Japan | Asahi Group Holdings, Ltd. Asahi Breweries, Ltd. Asahi Soft Drinks Co., Ltd. Asahi Group Foods, Ltd. *Also included Asahi Calpis Wellness Co., Ltd. until 2019. |
| Five Major Asahi Group Companies in Japan | Asahi Group Holdings, Ltd. Asahi Group Japan, Ltd. Asahi Breweries, Ltd. Asahi Soft Drinks Co., Ltd. Asahi Group Foods, Ltd. |

► GRI Standard Content Index



Statement of Use: Asahi Group Holdings, Ltd. has reported the information listed in this GRI Standard Content Index for the period from 1 January 2022 to 31 December 2022 in accordance with the GRI Standards.

The title of GRI 1 used: Foundation 2021

| Universal Standards | |
|--|---|
| Disclosure | Location and Notes |
| GRI 2: General Disclosures 2021 | |
| 1. The organization and its reporting practices | |
| 2-1 Organizational details | ☐ Company ► Corporate Profile |
| 2-2 Entities included in the organization's sustainability reporting | ☐ Interest in Other Entities, pp. 59–61, <i>Financial Report 2022</i> ➤ p. 240 Scope of Reports |
| 2-3 Reporting period, frequency and contact point | ➤ p. 2 Editorial Policy |
| 2-4 Restatements of information | Not applicable |
| 2-5 External assurance | ➤ p. 86 Environmental Achievements ► Third-Party Verification |
| 2. Activities and workers | |
| 2-6 Activities, value chain and other business relationships | ☐ Our Business ☐ Our Value Chain, pp. 9–10, <i>Integrated Report 2023</i> ➤ p. 231 Secure Food Safety and Reliability ► Activities ➤ pp. 214–227 Realize Sustainable Supply Chains ☐ Newsroom |
| 2-7 Employees | ➤ pp. 53–54 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ► Performance (Status of Employment) |
| 2-8 Workers who are not employees | – |
| 3. Governance | |
| 2-9 Governance structure and composition | ☐ Company ► Group Policies/Corporate Governance ► Concept and System: Basic Concept ☐ <i>Corporate Governance Report</i> ➤ p. 25 Governance ► Sustainability Governance ➤ pp. 54–55 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion ► Performance (Status of Employment) ☐ The Asahi Group's Corporate Governance Policy and Structure, pp. 81–82, <i>Integrated Report 2023</i> |
| 2-10 Nomination and selection of the highest governance body | ☐ <i>Corporate Governance Report</i> ➤ p. 26 Governance ► Board of Directors Sustainability Skills and Abilities ☐ Succession Plans for the CEO and Directors to Enhance Management Continuity, pp. 89–91, <i>Integrated Report 2023</i> |

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| Disclosure | Location and Notes |
|--|---|
| 2-11 Chair of the highest governance body | <ul style="list-style-type: none"> ☐ <i>Corporate Governance Report</i> |
| 2-12 Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> ☐ <i>Corporate Governance Report</i> ➤ pp. 20-21 Asahi Group Material Issues►Processes for Identifying Material Issues ➤ p. 25 Governance►Sustainability Governance ➤ p. 26 Governance►Board of Directors Sustainability Discussion ➤ p. 211 Respect for Human Rights►Engagement with Stakeholders►Dialogue with Stakeholders ☐ Sustainability►Sustainability at the Asahi Group►Dialogue with Stakeholders |
| 2-13 Delegation of responsibility for managing impacts | <ul style="list-style-type: none"> ➤ p. 25 Governance►Sustainability Governance ➤ p. 26 Governance►Board of Directors Sustainability Discussion |
| 2-14 Role of the highest governance body in sustainability reporting | <ul style="list-style-type: none"> ➤ pp. 20-21 Asahi Group Material Issues►Processes for Identifying Material Issues ➤ p. 26 Governance►Board of Directors Sustainability Discussion |
| 2-15 Conflicts of interest | <ul style="list-style-type: none"> ☐ <i>Corporate Governance Report</i> |
| 2-16 Communication of critical concerns | <ul style="list-style-type: none"> ☐ Company►Group Policies/Corporate Governance►Internal Control System ☐ Company►Group Policies/Corporate Governance►Compliance Promotion ☐ Investors►Management Information►Enterprise Risk Management ☐ Responses to Opinions and Questions Received via Questionnaire before and Livestream during the 99th Annual General Meeting of Shareholders (Japanese only) ➤ p. 29 Risk Management►Enterprise Risk Management |
| 2-17 Collective knowledge of the highest governance body | <ul style="list-style-type: none"> ☐ <i>Corporate Governance of Asahi Group</i> ➤ p. 211 Respect for Human Rights►Engagement with Stakeholders►Dialogue with Stakeholders ☐ Sustainability►Sustainability at the Asahi Group►Dialogue with Stakeholders |
| 2-18 Evaluation of the performance of the highest governance body | <ul style="list-style-type: none"> ☐ Evaluation Results of the Effectiveness of the Board of Directors in fiscal 2022 |
| 2-19 Remuneration policies | <ul style="list-style-type: none"> ☐ Executive Compensation, pp. 83-87, <i>99th Annual Securities Report</i> (Japanese only) ☐ Director Remuneration to Provide Incentive to Enhance Corporate Value, pp. 92-93, <i>Integrated Report 2023</i> ➤ pp. 27-28 Governance►Incorporating Social Value Indicators (Sustainability Indicators) into Director Remuneration |
| 2-20 Process to determine remuneration | <ul style="list-style-type: none"> ☐ Executive Compensation, pp. 83-87, <i>99th Annual Securities Report</i> (Japanese only) ☐ Director Remuneration to Provide Incentive to Enhance Corporate Value, pp. 92-93, <i>Integrated Report 2023</i> ☐ <i>Corporate Governance Report</i> |
| 2-21 Annual total compensation ratio | — |
| 4. Strategy, policies and practices | |
| 2-22 Statement on sustainable development strategy | <ul style="list-style-type: none"> ➤ pp. 3-4 CEO Message ☐ Message from the CEO, pp. 12-18, <i>Integrated Report 2023</i> |

► GRI Standard Content Index



| Disclosure | Location and Notes |
|---|---|
| 2-23 Policy commitments | <ul style="list-style-type: none"> ➤ pp. 23-24 Stakeholder Engagement►Support for External Initiatives ☐ Company►Group Policies/Corporate Governance►Group Policies ☐ Company►Group Policies/Corporate Governance►Asahi Group Human Rights Principles ➤ pp. 200-201 Respect for Human Rights►Management►Policies ➤ pp. 204-208 Respect for Human Rights►Human Rights Due Diligence►Supply Chain ➤ pp. 208-209 Respect for Human Rights►Human Rights Due Diligence►Employees |
| 2-24 Embedding policy commitments | <ul style="list-style-type: none"> ☐ Company►Group Policies/Corporate Governance►Compliance Promotion ☐ <i>Corporate Governance Report</i> ➤ pp. 200-203 Respect for Human Rights►Management ➤ pp. 204-208 Respect for Human Rights►Human Rights Due Diligence►Supply Chain ➤ pp. 208-209 Respect for Human Rights►Human Rights Due Diligence►Employees |
| 2-25 Processes to remediate negative impacts | <ul style="list-style-type: none"> ➤ pp. 11-12 Global Targets for Key Initiatives; Creating Business and Social Impact ➤ pp. 15-18 Feature Article 2: Visualizing Our Impact ➤ pp. 20-21 Asahi Group Material Issues ➤ pp. 73-75 Environmental Policies►Asahi Group Environmental Vision 2050 ➤ p. 210 Respect for Human Rights►Consultation Service on Human Rights ➤ p. 218 Realize Sustainable Supply Chains►Activities►Promotion of CSR Procurement►Procurement Clean Line System ➤ pp. 236-237 Secure Food Safety and Reliability►Activities►Communication with Customers ☐ Company►Group Policies/Corporate Governance►Compliance Promotion |
| 2-26 Mechanisms for seeking advice and raising concerns | <ul style="list-style-type: none"> ☐ Company►Group Policies/Corporate Governance►Compliance Promotion |
| 2-27 Compliance with laws and regulations | <ul style="list-style-type: none"> ☐ Company►Group Policies/Corporate Governance►Compliance Promotion ➤ p. 82 Environmental Achievements►Occurrence of Major Accidents and Violations ➤ p. 252 SASB Content Index►Responsible Drinking and Marketing ➤ p. 256 SASB Content Index►Product Labeling and Marketing |
| 2-28 Membership associations | <ul style="list-style-type: none"> ➤ p. 24 Stakeholder Engagement►Major Participating and Collaborating Organizations |
| 5. Stakeholder engagement | |
| 2-29 Approach to stakeholder engagement | <ul style="list-style-type: none"> ➤ pp. 22-24 Stakeholder Engagement |
| 2-30 Collective bargaining agreements | <ul style="list-style-type: none"> ➤ p. 40 Enhancement of Human Capital►Activities►Consultation with Workers' Union Council |
| GRI 3: Material Topics 2021 | |
| 3-1 Process to determine material topics | <ul style="list-style-type: none"> ➤ pp. 20-21 Asahi Group Material Issues►Processes for Identifying Material Issues ➤ pp. 15-18 Feature Article 2: Visualizing Our Impact |
| 3-2 List of material topics | <ul style="list-style-type: none"> ➤ p. 20 Asahi Group Material Issues |

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| Disclosure | Location and Notes |
|-----------------------------------|---|
| 3-3 Management of material topics | <ul style="list-style-type: none"> ➤ pp. 11-12 Global Targets for Key Initiatives; Creating Business and Social Impact ➤ pp. 15-18 Feature Article 2: Visualizing Our Impact ➤ pp. 20-21 Asahi Group Material Issues ➤ pp. 88-90 Respond to Climate Change►Management ➤ pp. 134-136 Sustainable Packaging►Management ➤ pp. 147-148 Sustainable Agricultural Raw Materials►Management ➤ pp. 153-154 Sustainable Water Resources►Management ➤ pp. 168-169 Realize Sustainable Communities through the Creation of People-to-People Connections►Management ➤ pp. 179-180 Reduction in Inappropriate Drinking►Management ➤ p. 187 Solution of Alcohol-related Issues through Creation of New Drinking Opportunities►Management ➤ pp. 192-193 Create Value of Health►Management ➤ pp. 200-203 Respect for Human Rights►Management ➤ pp. 102-124 Respond to Climate Change►Initiatives toward the TCFD Recommendations ➤ pp. 128-133 Biodiversity►Respond to TNFD Recommendations |

Topic Standards (Financial)

| Disclosure | Location and Notes |
|--|---|
| GRI 201: Economic Performance 2016 | |
| 201-1 Direct economic value generated and distributed | <ul style="list-style-type: none"> ☒ Consolidated Statement, pp. 1-6, <i>Financial Report 2022</i> ☒ Employee Benefits, pp. 32-34, <i>Financial Report 2022</i> ☒ Dividends, pp. 37-38, <i>Financial Report 2022</i> ☒ Company►Group Policies/Corporate Governance►Tax Strategy ➤ p. 40 Enhancement of Human Capital►Activities►Remuneration ➤ p. 170 Realize Sustainable Communities through the Creation of People-to-People Connections►Performance►Social Contribution Expenditures |
| 201-2 Financial implications and other risks and opportunities due to climate change | <ul style="list-style-type: none"> ➤ pp. 102-124 Respond to Climate Change►Initiatives toward the TCFD Recommendations ➤ p. 82 Environmental Achievements►Environmental Accounting ☒ Investors►Management Information►Enterprise Risk Management |
| 201-3 Defined benefit plan obligations and other retirement plans | ☒ Employee Benefits, pp. 32-34, <i>Financial Report 2022</i> |
| 201-4 Financial assistance received from government | ☒ Government Grants, p. 15, <i>Financial Report 2022</i> |
| GRI 202: Market Presence 2016 | |
| 202-1 Ratios of standard entry level wage by gender compared to local minimum wage | — |
| 202-2 Proportion of senior management hired from the local community | ➤ pp. 58-59 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion►Nationality |

► GRI Standard Content Index



| Disclosure | Location and Notes |
|---|---|
| GRI 203: Indirect Economic Impacts 2016 | |
| 203-1 Infrastructure investments and services supported | <ul style="list-style-type: none"> ➤ pp. 11-12 Global Targets for Key Initiatives; Creating Business and Social Impact ➤ pp. 168-169 Realize Sustainable Communities through the Creation of People-to-People Connections►Management ➤ pp. 171-176 Realize Sustainable Communities through the Creation of People-to-People Connections►Activities ➤ pp. 179-180 Reduction in Inappropriate Drinking►Management ➤ pp. 181-186 Reduction in Inappropriate Drinking►Activities |
| 203-2 Significant indirect economic impacts | <ul style="list-style-type: none"> ➤ pp. 11-12 Global Targets for Key Initiatives; Creating Business and Social Impact ➤ pp. 168-169 Realize Sustainable Communities through the Creation of People-to-People Connections►Management ➤ pp. 179-180 Reduction in Inappropriate Drinking►Management |
| GRI 204: Procurement Practices 2016 | |
| 204-1 Proportion of spending on local suppliers | — |
| GRI 205: Anti-corruption 2016 | |
| 205-1 Operations assessed for risks related to corruption | <ul style="list-style-type: none"> 📄 Company►Group Policies/Corporate Governance►Compliance Promotion 📄 Investors►Management Information►Enterprise Risk Management |
| 205-2 Communication and training about anti-corruption policies and procedures | 📄 Company►Group Policies/Corporate Governance►Compliance Promotion |
| 205-3 Confirmed incidents of corruption and actions taken | 📄 Company►Group Policies/Corporate Governance►Compliance Promotion |
| GRI 206: Anti-competitive Behavior 2016 | |
| 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | — |
| GRI 207: Tax 2019 | |
| 1. Topic management disclosures | |
| 207-1 Approach to tax | <ul style="list-style-type: none"> 📄 Company►Group Policies/Corporate Governance►Asahi Group's Tax Code of Conduct 📄 Company►Group Policies/Corporate Governance►Tax Strategy |
| 207-2 Tax governance, control, and risk management | <ul style="list-style-type: none"> 📄 Company►Group Policies/Corporate Governance►Asahi Group's Tax Code of Conduct 📄 Investors►Management Information►Enterprise Risk Management |
| 207-3 Stakeholder engagement and management of concerns related to tax | 📄 Company►Group Policies/Corporate Governance►Asahi Group's Tax Code of Conduct |
| 2. Topic disclosures | |
| 207-4 Country-by-country reporting | <ul style="list-style-type: none"> 📄 Company►Group Policies/Corporate Governance►Tax Strategy 📄 Segment Information, pp. 16-19, <i>Financial Report 2022</i> 📄 Interest in Other Entities, pp. 59-61, <i>Financial Report 2022</i> |

► GRI Standard Content Index



| Topic Standards (Environment) | |
|--|--|
| Disclosure | Location and Notes |
| GRI 301: Materials 2016 | |
| 301-1 Materials used by weight or volume | <ul style="list-style-type: none"> ➤ p. 81 Environmental Achievements►Material Balance ➤ p. 33 Metrics and Targets►2022 Achievements |
| 301-2 Recycled input materials used | <ul style="list-style-type: none"> ➤ p. 85 Environmental Achievements►Green Bonds►Reporting ➤ pp. 139-141 Sustainable Packaging►Activities►Plastic Packaging►Recycle ➤ p. 252 SASB Content Index |
| 301-3 Reclaimed products and their packaging materials | <ul style="list-style-type: none"> ➤ p. 33 Metrics and Targets►2022 Achievements ➤ p. 136 Sustainable Packaging►Performance ➤ pp. 139-141 Sustainable Packaging►Activities►Plastic Packaging►Recycle |
| GRI 302: Energy 2016 | |
| 302-1 Energy consumption within the organization | <ul style="list-style-type: none"> ➤ p. 93 Respond to Climate Change►Performance►CO₂ Emissions ➤ p. 81 Environmental Achievements►Material Balance ➤ p. 85 Environmental Achievements►Green Bonds►Reporting |
| 302-2 Energy consumption outside of the organization | <ul style="list-style-type: none"> ➤ pp. 91-92 Respond to Climate Change►Performance►CO₂ Emissions <p>Note: Energy consumption is disclosed in terms of GHG emissions.</p> |
| 302-3 Energy intensity | <ul style="list-style-type: none"> ➤ p. 93 Respond to Climate Change►Performance►CO₂ Emissions |
| 302-4 Reduction of energy consumption | <ul style="list-style-type: none"> ➤ p. 93 Respond to Climate Change►Performance►CO₂ Emissions ➤ pp. 94-101 Respond to Climate Change►Activities |
| 302-5 Reductions in energy requirements of products and services | <ul style="list-style-type: none"> ➤ p. 101 Respond to Climate Change►Activities►Sales |
| GRI 303: Water and Effluents 2018 | |
| 1. Topic management disclosures | |
| 303-1 Interactions with water as a shared resource | <ul style="list-style-type: none"> ➤ p. 116 Respond to Climate Change►Initiatives toward the TCFD Recommendations > Physical Risk: Chronic: Increasing Costs of Permanent Climate Change►Impact of Changes to Precipitation Patterns ➤ pp. 153-154 Sustainable Water Resources►Management ➤ pp. 157-159 Sustainable Water Resources►Activities |
| 303-2 Management of water discharge-related impacts | — |
| 2. Topic disclosures | |
| 303-3 Water withdrawal | <ul style="list-style-type: none"> ➤ p. 155 Sustainable Water Resources►Performance►Water Consumption and Intensity |
| 303-4 Water discharge | <ul style="list-style-type: none"> ➤ p. 156 Sustainable Water Resources►Performance►Wastewater ➤ p. 81 Environmental Achievements►Material Balance |
| 303-5 Water consumption | <ul style="list-style-type: none"> ➤ p. 155 Sustainable Water Resources►Performance►Water Consumption and Intensity ➤ p. 81 Environmental Achievements►Material Balance |

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| Disclosure | Location and Notes |
|---|--|
| GRI 304: Biodiversity 2016 | |
| 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | <ul style="list-style-type: none"> ➤ p. 127 Biodiversity►Activities►Conservation of the Biodiversity of Asahi Forest ➤ pp. 173-175 Realize Sustainable Communities through the Creation of People-to-People Connections►Activities►Basic Activity: Community Support Activities ➤ p. 130 Biodiversity►Respond to TNFD Recommendations |
| 304-2 Significant impacts of activities, products and services on biodiversity | <ul style="list-style-type: none"> ➤ pp. 125-126 Biodiversity►Management ➤ pp. 128-133 Biodiversity►Respond to TNFD Recommendations ➤ pp. 150-151 Sustainable Agricultural Raw Materials►Activities►Assessment of Risks in Agricultural Raw Materials |
| 304-3 Habitats protected or restored | <ul style="list-style-type: none"> ➤ p. 127 Biodiversity►Activities ➤ p. 159 Sustainable Water Resources►Activities►Water Resource Conservation through Asahi Forest ➤ pp. 173-175 Realize Sustainable Communities through the Creation of People-to-People Connections►Activities►Basic Activity: Community Support Activities |
| 304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations | — |
| GRI 305: Emissions 2016 | |
| 305-1 Direct (Scope 1) GHG emissions | <ul style="list-style-type: none"> ➤ pp. 91-92 Respond to Climate Change►Performance►CO₂ Emissions ➤ p. 81 Environmental Achievements►Material Balance |
| 305-2 Energy indirect (Scope 2) GHG emissions | <ul style="list-style-type: none"> ➤ pp. 91-92 Respond to Climate Change►Performance►CO₂ Emissions ➤ p. 81 Environmental Achievements►Material Balance |
| 305-3 Other indirect (Scope 3) GHG emissions | <ul style="list-style-type: none"> ➤ pp. 91-92 Respond to Climate Change►Performance►CO₂ Emissions ➤ pp. 94-95 Respond to Climate Change►Activities►Ingredient/Material |
| 305-4 GHG emissions intensity | ➤ p. 91 Respond to Climate Change►Performance►CO ₂ Emissions |
| 305-5 Reduction of GHG emissions | <ul style="list-style-type: none"> ➤ pp. 91-92 Respond to Climate Change►Performance►CO₂ Emissions ➤ pp. 94-101 Respond to Climate Change►Activities |
| 305-6 Emissions of ozone-depleting substances (ODS) | — |
| 305-7 Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions | <ul style="list-style-type: none"> ➤ p. 162 Reduction of Waste and Prevention of Pollution►Performance►Prevention of Environmental Pollution ➤ p. 81 Environmental Achievements►Material Balance |

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| Disclosure | Location and Notes |
|--|--|
| GRI 306: Waste 2020 | |
| 1. Topic management disclosures | |
| 306-1 Waste generation and significant waste-related impacts | <ul style="list-style-type: none"> ➤ pp. 134-136 Sustainable Packaging▶Management ➤ pp. 160-161 Reduction of Waste and Prevention of Pollution▶Management |
| 306-2 Management of significant wasterelated impacts | <ul style="list-style-type: none"> ➤ pp. 134-136 Sustainable Packaging▶Management ➤ pp. 137-146 Sustainable Packaging▶Activities ➤ pp. 160-161 Reduction of Waste and Prevention of Pollution▶Management ➤ pp. 163-166 Reduction of Waste and Prevention of Pollution▶Activities |
| 2. Topic disclosures | |
| 306-3 Waste generated | ➤ p. 162 Reduction of Waste and Prevention of Pollution▶Performance▶Waste Reduction |
| 306-4 Waste diverted from disposal | <ul style="list-style-type: none"> ➤ p. 162 Reduction of Waste and Prevention of Pollution▶Performance▶Waste Reduction ➤ pp. 163-164 Reduction of Waste and Prevention of Pollution▶Activities▶Activities for Waste Reduction |
| 306-5 Waste directed to disposal | ➤ p. 162 Reduction of Waste and Prevention of Pollution▶Performance▶Waste Reduction |
| GRI 308: Supplier Environmental Assessment 2016 | |
| 308-1 New suppliers that were screened using environmental criteria | ➤ p. 227 Realize Sustainable Supply Chains▶Activities▶Cooperation with Suppliers▶Sharing and Raising Awareness with All Suppliers▶Approaching New Suppliers |
| 308-2 Negative environmental impacts in the supply chain and actions taken | <ul style="list-style-type: none"> ➤ pp. 217-224 Realize Sustainable Supply Chains▶Activities▶Promotion of CSR Procurement ➤ pp. 226-227 Realize Sustainable Supply Chains▶Activities▶Cooperation with Suppliers▶Sharing and Raising Awareness with All Suppliers |

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| Topic Standards (Social) | |
|---|--|
| Disclosure | Location and Notes |
| GRI 401: Employment 2016 | |
| 401-1 New employee hires and employee turnover | ➤ pp. 53-54 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion►Performance (Status of Employment) |
| 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees | – |
| 401-3 Parental leave | ➤ p. 55 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion►Performance (Status of Employment) |
| GRI 402: Labor/Management Relations 2016 | |
| 402-1 Minimum notice periods regarding operational changes | ➤ p. 40 Enhancement of Human Capital►Activities►Consultation with Workers' Union Council |
| GRI 403: Occupational Health and Safety 2018 | |
| 1. Topic management disclosures | |
| 403-1 Occupational health and safety management system | ➤ p. 45 Fostering the Ideal Corporate Culture: Safety and Well-being►Performance►Safety ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management |
| 403-2 Hazard identification, risk assessment, and incident investigation | ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Prevention of Long Working Hours ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Safety►Safety Training ➤ p. 210 Respect for Human Rights►Consultation Service on Human Rights |
| 403-3 Occupational health services | ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Prevention of Long Working Hours ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Safety►Safety Training |
| 403-4 Worker participation, consultation, and communication on occupational health and safety | ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Safety►Safety Training |
| 403-5 Worker training on occupational health and safety | ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Safety►Safety Training |
| 403-6 Promotion of worker health | ➤ pp. 43-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management►Strategies►Well-being ➤ p. 49 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Initiatives of Operating Companies |
| 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Prevention of Long Working Hours ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Safety►Safety Training |
| 2. Topic disclosures | |
| 403-8 Workers covered by an occupational health and safety management system | ➤ p. 45 Fostering the Ideal Corporate Culture: Safety and Well-being►Performance►Safety |
| 403-9 Work-related injuries | ➤ p. 45 Fostering the Ideal Corporate Culture: Safety and Well-being►Performance►Safety ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Prevention of Long Working Hours |
| 403-10 Work-related ill health | ➤ p. 46 Fostering the Ideal Corporate Culture: Safety and Well-being►Performance►Well-being ➤ pp. 41-44 Fostering the Ideal Corporate Culture: Safety and Well-being►Management ➤ p. 48 Fostering the Ideal Corporate Culture: Safety and Well-being►Activities►Well-being►Prevention of Long Working Hours |

▶ GRI Standard Content Index



| Disclosure | Location and Notes |
|--|--|
| GRI 404: Training and Education 2016 | |
| 404-1 Average hours of training per year per employee | ➤ p. 65 Fostering the Ideal Corporate Culture: Growth through Learning▶Performance▶Hours of Training on Human Resources Development and Number of Participants |
| 404-2 Programs for upgrading employee skills and transition assistance programs | ➤ pp. 62-64 Fostering the Ideal Corporate Culture: Growth through Learning▶Management ➤ pp. 66-68 Fostering the Ideal Corporate Culture: Growth through Learning▶Activities |
| 404-3 Percentage of employees receiving regular performance and career development reviews | – |
| GRI 405: Diversity and Equal Opportunity 2016 | |
| 405-1 Diversity of governance bodies and employees | ➤ pp. 53-55 Fostering the Ideal Corporate Culture: Diversity, Equity and Inclusion▶Performance (Status of Employment) ☑ Executive Roster, pp. 76-78, 99th <i>Annual Securities Report</i> (Japanese only) |
| 405-2 Ratio of basic salary and remuneration of women to men | – |
| GRI 406: Non-discrimination 2016 | |
| 406-1 Incidents of discrimination and corrective actions taken | ➤ p. 210 Respect for Human Rights▶Consultation Service on Human Rights ☑ Company▶Group Policies/Corporate Governance▶Compliance Promotion |
| GRI 407: Freedom of Association and Collective Bargaining 2016 | |
| 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | ➤ p. 202 Respect for Human Rights▶Management▶Strategies ➤ p. 40 Enhancement of Human Capital▶Activities▶Consultation with Workers' Union Council ➤ p. 209 Respect for Human Rights▶Human Rights Due Diligence▶Employees▶Responding to Vulnerable Stakeholders in the Company ➤ pp. 218-224 Realize Sustainable Supply Chains▶Activities▶Promotion of CSR Procurement▶Supplier CSR Questionnaire |
| GRI 408: Child Labor 2016 | |
| 408-1 Operations and suppliers at significant risk for incidents of child labor | ➤ p. 202 Respect for Human Rights▶Management▶Strategies ➤ pp. 204-208 Respect for Human Rights▶Human Rights Due Diligence▶Supply Chain ➤ pp. 218-224 Realize Sustainable Supply Chains▶Activities▶Promotion of CSR Procurement▶Supplier CSR Questionnaire |
| GRI 409: Forced or Compulsory Labor 2016 | |
| 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | ➤ p. 202 Respect for Human Rights▶Management▶Strategies ➤ pp. 204-208 Respect for Human Rights▶Human Rights Due Diligence▶Supply Chain ➤ pp. 208-209 Respect for Human Rights▶Human Rights Due Diligence▶Employees ➤ pp. 218-224 Realize Sustainable Supply Chains▶Activities▶Promotion of CSR Procurement▶Supplier CSR Questionnaire |
| GRI 410: Security Practices 2016 | |
| 410-1 Security personnel trained in human rights policies or procedures | – |
| GRI 411: Rights of Indigenous Peoples 2016 | |
| 411-1 Incidents of violations involving rights of indigenous peoples | – |

► GRI Standard Content Index



| Disclosure | Location and Notes |
|---|---|
| GRI 413: Local Communities 2016 | |
| 413-1 Operations with local community engagement, impact assessments, and development programs | <ul style="list-style-type: none"> ➤ pp. 15-18 Feature Article 2: Visualizing Our Impacts ➤ pp. 102-124 Respond to Climate Change▶Initiatives toward the TCFD Recommendations ➤ pp. 128-133 Biodiversity▶Respond to TNFD Recommendations ➤ pp. 168-169 Realize Sustainable Communities through the Creation of People-to-People Connections▶Management ➤ pp. 171-176 Realize Sustainable Communities through the Creation of People-to-People Connections▶Activities ➤ pp. 179-180 Reduction in Inappropriate Drinking▶Management ➤ pp. 181-186 Reduction in Inappropriate Drinking▶Activities |
| 413-2 Operations with significant actual and potential negative impacts on local communities | <ul style="list-style-type: none"> ➤ pp. 11-12 Global Targets for Key Initiatives; Creating Business and Social Impact ➤ pp. 102-124 Respond to Climate Change▶Initiatives toward the TCFD Recommendations ➤ pp. 128-133 Biodiversity▶Respond to TNFD Recommendations ➤ pp. 157-159 Sustainable Water Resources▶Activities ➤ pp. 179-180 Reduction in Inappropriate Drinking▶Management |
| GRI 414: Supplier Social Assessment 2016 | |
| 414-1 New suppliers that were screened using social criteria | <ul style="list-style-type: none"> ➤ p. 227 Realize Sustainable Supply Chains▶Activities▶Cooperation with Suppliers▶Sharing and Raising Awareness with All Suppliers▶Approaching New Suppliers |
| 414-2 Negative social impacts in the supply chain and actions taken | <ul style="list-style-type: none"> ➤ pp. 217-224 Realize Sustainable Supply Chains▶Activities▶Promotion of CSR Procurement ➤ pp. 224-227 Realize Sustainable Supply Chains▶Activities▶Cooperation with Suppliers |
| GRI 415: Public Policy 2016 | |
| 415-1 Political contributions | Total political donations (Total political donations in 2022 were 3.5 million yen.) |
| GRI 416: Customer Health and Safety 2016 | |
| 416-1 Assessment of the health and safety impacts of product and service categories | ➤ pp. 228-237 Secure Food Safety and Reliability |
| 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | — |
| GRI 417: Marketing and Labeling 2016 | |
| 417-1 Requirements for product and service information and labeling | <ul style="list-style-type: none"> ➤ p. 232 Secure Food Safety and Reliability▶Activities▶Procurement ➤ pp. 234-236 Secure Food Safety and Reliability▶Activities▶Distribution ➤ pp. 181-186 Reduction in Inappropriate Drinking▶Activities ➤ p. 143 Sustainable Packaging▶Activities▶Paper Packaging |
| 417-2 Incidents of non-compliance concerning product and service information and labeling | <ul style="list-style-type: none"> ➤ p. 252 SASB Content Index▶Responsible Drinking and Marketing ➤ p. 256 SASB Content Index▶Product Labeling and Marketing |
| 417-3 Incidents of non-compliance concerning marketing communications | <ul style="list-style-type: none"> ➤ p. 252 SASB Content Index▶Responsible Drinking and Marketing ➤ p. 256 SASB Content Index▶Product Labeling and Marketing |
| GRI 418: Customer Privacy 2016 | |
| 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | — |

▶ SASB Content Index



Among the industry-specific standards set by the International Financial Reporting Standards (IFRS), we report on the Asahi Group's achievements concerning the "Alcoholic Beverages" and "Non-Alcoholic Beverages" standards for the Food & Beverage sector.

Data Disclosure per the Alcoholic Beverages Standards

| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|------------------------------------|--|--------------|-----------------------------|---|
| Energy Management | (1) Total energy consumed (2) percentage grid electricity (3) percentage renewable | FB-AB-130a.1 | GJ, % | <p>(1) ▶ p. 93 Changes in Energy Consumption and Intensity* *Total energy consumption (GWh) including electricity consumption is disclosed. As requested by the CDP, the data is disclosed in "GWh" units instead of "GJ." In Japan and Australia, where the Asahi Group operates businesses, the company's energy consumption data includes data on the energy consumed by some of the vehicles used by the businesses as required by legislation.</p> <p>(2) -</p> <p>(3) ▶ p. 93 Renewable Electricity Consumption</p> |
| Water Management | (1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | FB-AB-140a.1 | 1,000 m ³ , % | <p>(1) Total water withdrawn 39,975.21 (1,000m³) ▣ CDP Water Security 2023 Questionnaire w1.2b (Japanese only)</p> <p>(2) Total water consumed 14,441.72 (1,000m³) ▣ CDP Water Security 2023 Questionnaire w1.2b (Japanese only) Percentage of each in regions with High or Extremely High Baseline Water Stress: 19.7% ▣ CDP Water Security 2023 Questionnaire w1.2d (Japanese only)</p> |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | FB-AB-140a.2 | - | <p>▶ p. 153 Sustainable Water Resources ▣ CDP Water Security 2023 Questionnaire w3.3 w4 w6.1 (Japanese only) ▶ p. 157 Activities (Sustainable Water Resources)</p> |
| Responsible Drinking and Marketing | Percentage of total advertising impressions made on individuals at or above the legal drinking age | FB-AB-270a.1 | % | <p>All advertising is targeted at individuals over the legal drinking age. For example, Asahi Breweries, Ltd. always guides people who visit the product webpage to a site that confirms they are of legal age.</p> <p>*Click on each product on ▣ Asahi Breweries, Ltd.'s product information webpage (Japanese only) to open the age confirmation link.</p> |

► SASB Content Index



| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|------------------------------------|---|---------------|--------------------|---|
| Responsible Drinking and Marketing | Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes | FB-AB-270a.2 | Number | 0 (FY 2022) Notes: 1 Scope of reports: Asahi Breweries, Ltd. 2 Number of announcements in newspapers or on the company website due to incidents of non-compliance with regulations and/or voluntary codes as specified in GRI 417-2 |
| | Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices | FB-AB-270a.3 | Reporting currency | 0 (FY 2022) Notes: 1 Scope of reports: Asahi Breweries, Ltd. 2 Number of announcements in newspapers or on the company website due to incidents of non-compliance with regulations and/or voluntary codes as specified in GRI 417-2 |
| | Description of efforts to promote responsible consumption of alcohol | FB-AB-270a.4. | - | <ul style="list-style-type: none"> ►p. 178 Basic Principles for Responsible Drinking ►p. 179 Approach (Reduction in Inappropriate Drinking) ►p. 187 Approach (Solution of Alcohol-related Issues through Creation of New Drinking Opportunities) |
| Packaging Lifecycle Management | (1) Total weight of packaging (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable | FB-AB-410a.1 | t, % | <ul style="list-style-type: none"> (1) ►p. 81 Packaging materials ►p. 85 Impact Report ► (2) Status of initiatives toward using sustainable packaging ► Amount of eco-friendly materials used, such as recycled PET and biomass plastic (2) •Aluminium can The Asahi Group is working with trade associations in Japan on container recycling. 2021 (2020): Consumption weight 331 kilotons (331 kilotons) Recycled weight 319 kilotons(311 kilotons) Recycling rate 96.6% (94%) *Scope of reports: In Japan (Source: Japan Aluminum Can Recycling Association) •Glass bottle The Asahi Group is working with trade associations in Japan on container recycling. 2021 (2020): Total dissolved amount 1,346 kilotons (1,352 kilotons) Cullet usage 1,025 kilotons (1,053 kilotons) Cullet usage rate 76.1%(77.9%) Recycling rate 73.4% (69.0%) *Scope of reports: In Japan (Source: Glass Bottle 3R Promotion Association) (3) ►p. 136Glass Bottle Collection Rate |
| | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | FB-AB-410a.2 | - | <ul style="list-style-type: none"> ►p. 134 Sustainable Packaging ►p. 137 Activities (Sustainable Packaging) ►p. 31 Metrics and Targets ►p. 136 Metrics and Targets (Sustainable Packaging) |

▶ SASB Content Index



| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|---|---|--------------|-----------------|---|
| Environmental and Social Impacts of Ingredient Supply Chain | Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for for (a) major and (b) minor non-conformances | FB-AB-430a.1 | % | <p>(1) ▶ p. 218 Supplier CSR Questionnaire We distribute the Supplier CSR Questionnaire to understand our suppliers' Environmental, Social, and Governance (ESG) and other CSR activities and to assess risks and resolve issues. The Asahi Group does not immediately suspend or cancel transactions with suppliers if issues are discovered through the Supplier CSR Questionnaire, but we are convinced that working together with suppliers to resolve those issues will contribute to resolving challenges in society on a fundamental level.</p> <p>(2) ▶ p. 220 Summary of the Survey Results ▣ Asahi Group Supplier Code of Conduct Company ▶ Group Policies/Corporate Governance ▶ Asahi Group Sustainable Procurement Principles ▶ Asahi Group Supplier Code of Conduct ▶ p. 224 Initiatives for Quality Improvement</p> |
| Ingredient Sourcing | Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress | FB-AB-440a.1 | % | - |
| | List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations | FB-AB-440a.2 | - | <p>▶ p. 149 Agricultural Raw Materials (Important Raw Materials) ▶ p. 102 Initiatives toward the TCFD Recommendations ▶ p. 158 Assessment and Reduction of Water Risks ▶ p. 159 Conducting Water Risk Surveys of Suppliers ▶ p. 173 Food ▶ p. 164 Utilization of Beer Brewing By-products ▶ p. 217 Promotion of CSR Procurement</p> |

| Activity Metric | Code | Unit of Measure | Disclosure |
|---------------------------------|-------------|-----------------|--|
| Volume of products sold | FB-AB-000.A | Mhl | - |
| Number of production facilities | FB-AB-000.B | Number | ▣ Corporate Data (List of Group Production Facilities), p. 7, Factbook 2022 |
| Total fleet road miles traveled | FB-AB-000.C | m | - |

▶ SASB Content Index



Data Disclosure per the Non Alcoholic Beverages Standards

| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|-----------------------|---|--------------|-----------------------------|---|
| Fleet Fuel Management | (1)Fleet fuel consumed (2)percentage renewable | FB-NB-110a.1 | GJ, % | (1) 🔗p. 93 Changes in Energy Consumption and Intensity* *Total energy consumption (GWh) including electricity consumption is disclosed. As requested by the CDP, the data is disclosed in "GWh" units instead of "GJ." In Japan and Australia, where the Asahi Group operates businesses, the company's energy consumption data includes data on the energy consumed by some of the vehicles used by the businesses as required by legislation. (2) - |
| Energy Management | (1) Operational energy consumed (2) percentage grid electricity (3) percentage renewable | FB-NB-130a.1 | GJ, % | (1) 🔗p. 93 Changes in Energy Consumption and Intensity* *Total energy consumption (GWh) including electricity consumption is disclosed. As requested by the CDP, the data is disclosed in "GWh" units instead of "GJ." In Japan and Australia, where the Asahi Group operates businesses, the company's energy consumption data includes data on the energy consumed by some of the vehicles used by the businesses as required by legislation. (2) - (3) 🔗p. 93 Renewable Electricity Consumption |
| Water Management | (1) Total water withdrawn (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | FB-NB-140a.1 | 1,000 m ³ , % | (1) Total water withdrawn 39,975.21 (1,000m ³) 📄CDP Water Security 2023 Questionnaire w1.2b (Japanese only) (2) Total water consumed 14,441.72 (1,000m ³) 📄CDP Water Security 2023 Questionnaire w1.2b (Japanese only) Percentage of each in regions with High or Extremely High Baseline Water Stress: 19.7% 📄CDP Water Security 2023 Questionnaire w1.2d (Japanese only) |
| | Description of water management risks and discussion of strategies and practices to mitigate those risks | FB-NB-140a.2 | - | 🔗p. 153 Sustainable Water Resources 📄CDP Water Security 2023 Questionnaire w3.3 w4 w6.1 (Japanese only) 🔗p. 157 Activities (Sustainable Water Resources) |

▶ SASB Content Index



| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|-----------------------------------|--|--------------|-----------------------|---|
| Health and Nutrition | Revenue from (1) zero- and low-calorie (2) no-added-sugar, and (3) artificially sweetened beverages | FB-NB-260a.1 | Reporting currency | - |
| | Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers | FB-NB-260a.2 | - | <p>▶ p. 194 Providing Health Value through Products</p> <p>▶ p. 228 Secure Food Safety and Reliability</p> |
| Product Labeling and Marketing | Percentage of advertising impressions (1) made on children and (2) made on children promoting products that meet dietary guidelines | FB-NB-270a.1 | % | - |
| | Revenue from products labeled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO | FB-NB-270a.2 | Reporting currency | ▶ p. 232 Our Basic Policy on Genetic Modification |
| | Number of incidents of non- compliance with industry or regulatory labeling and/or marketing codes | FB-NB-270a.3 | Number | 0 (FY 2022) Notes: 1 Scope of reports: Asahi Breweries, Ltd. 2 Number of announcements in newspapers or on the company website due to incidents of non-compliance with regulations and/or voluntary codes as specified in GRI 417-2 |
| | Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labeling practices | FB-NB-270a.4 | Reporting currency | 0 (FY 2022) Notes: 1 Scope of reports: Asahi Breweries, Ltd. 2 Number of announcements in newspapers or on the company website due to incidents of non-compliance with regulations and/or voluntary codes as specified in GRI 417-2 |

▶ SASB Content Index



| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|--------------------------------|---|--------------|-----------------|--|
| Packaging Lifecycle Management | (1) Total weight of packaging (2) percentage made from recycled and/or renewable materials, and (3) percentage that is recyclable, reusable, and/or compostable | FB-NB-410a.1 | t, % | <p>(1) p. 81 Packaging materials p. 85 Impact Report ▶ (2) Status of initiatives toward using sustainable packaging ▶ Amount of eco-friendly materials used, such as recycled PET and biomass plastic</p> <p>(2) •Aluminium can The Asahi Group is working with trade associations in Japan on container recycling. 2021 (2020):: Consumption weight 331 kilotons (331 kilotons) Recycled weight 319 kilotons(311 kilotons) Recycling rate 96.6% (94%) *Scope of reports: In Japan (Source: Japan Aluminum Can Recycling Association)</p> <p>•Glass bottle The Asahi Group is working with trade associations in Japan on container recycling. 2021 (2020):: Total dissolved amount 1,346 kilotons (1,352 kilotons) Cullet usage 1,025 kilotons (1,053 kilotons) Cullet usage rate 76.1% (77.9%) Recycling rate 73.4% (69.0%) *Scope of reports: In Japan (Source: Glass Bottle 3R Promotion Association)</p> |
| | Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle | FB-NB-410a.2 | - | <p>(3) p. 136 Glass Bottle Collection Rate</p> <p>p. 134 Sustainable Packaging p. 137 Activities (Sustainable Packaging) p. 31 Metrics and Targets p. 136 Metrics and Targets (Sustainable Packaging)</p> |

▶ SASB Content Index



| Topic | Accounting Metric | Code | Unit of Measure | Disclosure |
|---|--|--------------|-----------------|---|
| Environmental and Social Impacts of Ingredient Supply Chain | Suppliers' social and environmental responsibility audit (1) non-conformance rate and (2) associated corrective action rate for (a) major and (b) minor non-conformances | FB-NB-430a.1 | % | (1) ▶ p. 218 Supplier CSR Questionnaire We distribute the Supplier CSR Questionnaire to understand our suppliers' Environmental, Social, and Governance (ESG) and other CSR activities and to assess risks and resolve issues. The Asahi Group does not immediately suspend or cancel transactions with suppliers if issues are discovered through the Supplier CSR Questionnaire, but we are convinced that working together with suppliers to resolve those issues will contribute to resolving challenges in society on a fundamental level. (2) ▶ p. 220 Summary of the Survey Results ▶ Asahi Group Supplier Code of Conduct ▶ Asahi Group Supplier Code of Conduct ▶ Asahi Group Sustainable Procurement Principles ▶ Asahi Group Supplier Code of Conduct ▶ p. 224 Initiatives for Quality Improvement |
| | Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress | FB-NB-440a.1 | % | - |
| Ingredient Sourcing | List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations | FB-NB-440a.2 | - | ▶ p. 149 Agricultural Raw Materials (Important Raw Materials) ▶ p. 102 Initiatives toward the TCFD Recommendations ▶ p. 158 Assessment and Reduction of Water Risks ▶ p. 159 Conducting Water Risk Surveys of Suppliers ▶ p. 173 Food ▶ p. 164 Utilization of Beer Brewing By-products ▶ p. 217 Promotion of CSR Procurement |

| Activity Metric | Code | Unit of Measure | Disclosure |
|---------------------------------|-------------|-----------------|--|
| Volume of products sold | FB-AB-000.A | Mhl | - |
| Number of production facilities | FB-AB-000.B | Number | ▶ Corporate Data (List of Group Production Facilities), p. 7, Factbook 2022 |
| Total fleet road miles traveled | FB-AB-000.C | m | - |

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