Publication of the “2024 Annual Report on the Implementation of the Asahi Group's BMS Marketing Policy”.

The Asahi Group strives to achieve its aspiration of contributing to the healthy growth of infants and young children based on the understanding of the importance of the International Code of Marketing of Breast-milk Substitutes from the World Health Organization (hereinafter, “WHO”) (hereinafter, the “WHO Code”) and the Resolutions on Infant and Young Child Feeding adopted at the World Health Assembly (hereinafter, “WHA”).

We recognize that our activities on this issue is one way of putting the Asahi Group Philosophy (AGP) into practice through our business.

This report summarizes the implementation status of “Our Approach towards ‘Infant Formula’ Distribution” (presently, “The Asahi Group’s Policy and Procedures for the Marketing of Breast-Milk Substitutes”) (hereinafter, the “BMS Marketing Policy” <link to the BMS Marketing Policy>), which stipulates the Asahi Group’s marketing policy on Breast-Milk Substitutes (BMS). The report includes cases of noncompliance related to the Company’s BMS Marketing Policy that have been identified through internal and external processes, including voluntary inspections, internal audits, and external verification by third-party auditors, as well as measures to correct such noncompliance. The report is submitted to the Board of Directors (*), which is attended by the Asahi Group CEO and directors.

We believe that publication of this report, along with the revised BMS Marketing Policy, will increase the transparency of our activities and further demonstrate the Company’s responsibility concerning BMS Marketing.

※ About the governance structure of Asahi Group Holdings.

Aug 2025.
Group Chief Sustainability Officer (CSO), Asahi Group Holdings
Drahomira Mandikova.

About this report.

The Asahi Group has been publishing an annual report on the status of compliance with the BMS Marketing Policy that the Company has established since 2024.

Based on the assessments of our BMS-related business activities by independent external auditors, in addition to our own monitoring and internal audits, we strive to continuously improve our efforts in the area of BMS marketing, and to report our progress in a transparent manner.

We will continue to monitor and review our own initiatives, and report on them.

Our 2024 activities were verified by an external third-party organization with appropriate auditor qualifications. The scope of the verification includes the activities of our headquarters and the higher-risk countries (*2) in which the Company sells our products.

From the verification by an audit organization independent of the Company, in addition to the audits that the Asahi Group's audit section has been conducting, we were able to gain valuable insights into whether or not our daily activities are functioning and what needs to be improved.

*Definition of high-risk countries:

■The mortality rate of children less than 5 years of age is 10 or more per 1,000 children, or

■The acute malnutrition (moderate and severe debilitation) of children less than 5 years of age is 2% or more.

Main Initiatives and Results in 2024

1. Revision of the BMS Marketing Policy

In order to encourage breastfeeding, the Asahi Group declared in its “Our Approach towards Infant Formula Distribution” in 2017 that the Group will not advertise BMS products for infants under 12 months of age, even if it is allowed by local laws, in the higher-risk countries mentioned above, where the health of infants and young children is considered at risk. The Group was the first company with main business base in Japan to make such a declaration.

The Asahi Group revised “Our Approach towards Infant Formula Distribution” to establish our responsible BMS marketing policy and procedures and changed the name of the policy to “The Asahi Group’s Policy and Procedures for the Marketing of Breast-Milk Substitutes” in August 2024. By doing so, we believe that we were able to indicate our approach to BMS marketing more concretely than before.

2. Positioning of the BMS Marketing Policy in Our Business

In the Asahi Group, all our employees, from researchers involved in the BMS business to employees engaged in marketing, sales, and distribution, as well as senior management, are responsible for upholding

the standards for conducting responsible BMS marketing.

The Asahi Group recognizes that it is responsible for adhering to its BMS Marketing Policy and implementing the Policy on a daily basis through its operations.

Also, the Asahi Group raises awareness within the Group about the importance of responsible BMS marketing, and contributes to the implementation of consistent, clear, and transparent actions in accordance with the Asahi Group Code of Conduct.
We will continue to improve our practice through the process of internal monitoring, regular audits, and external verification, focusing on the importance of compliance with our BMS Marketing Policy.

3. Information sharing within the Group

(1) Information sharing and discussion with the Asahi Group management

The Asahi Group's BMS Marketing Policy applies to all BMS-related operations and is overseen by the Group CSO, who is a top management executive handling our group's sustainability activities. The content of this report is shared with the Asahi Group management at the Board of Directors' meetings.

(2) Requests to our employees

Employees associated with the Asahi Group's BMS business are made sure to comply with the Group's BMS Marketing Policy before they are assigned to BMS-related work. Relevant employees are trained on the importance of following the Company's BMS Marketing Policy.

As a result, our employees are committed to put the Company's BMS Marketing Policy into practice, and to implement our policies as a basic approach in our business through training to raise their awareness.

4. Our approach to cooperation with industry and government agencies

Asahi Group Foods, a company of the Asahi Group that conducts BMS business, is currently affiliated with the following organizations related to BMS. These organizations respect the WHO Code in the same manner as we do and give consideration to marketing activities in line with domestic laws that support breastfeeding, while giving due consideration to the Antimonopoly Act.

Furthermore, as the Asahi Group already responded to the international "BMS Call to Action," the Group is committed to support the national legislation of the WHO Code, in accordance with requests for cooperation from governments.

The Asahi Group recognizes that the purpose of all lobbying on BMS is to support the public interest as well as to achieve the objectives of the Company.

(1) BMS-related business industry associations in which the Asahi Group participates

Currently, the Asahi Group participates in associations in Japan only.

- Japan Dairy Industry Association < https://www.nyukyou.jp/ >
- Japan Baby Food Council < https://www.baby-food.jp/ >

(2) Relationship with NGOs and other organizations

Although it is not classified as an BMS-related industry association, we have responded to the international "BMS Call to Action," received from the Meridian Institute in 2020. In the response, we stated the following:

- Support for the national legislation of the WHO Code by governments
- Cooperation with the Access to Nutrition Initiative (ATNI) in its monitoring of our compliance with the BMS Code

Reference: Link to our response to the "BMS Call to Action"

5. Activities to improve the compliance with our BMS Marketing Policy

We have conducted voluntary inspections (monitoring) of our business activities that have taken place in 2024 for all countries in which we operate. Moreover, we verified the implementation of our BMS Marketing Policy by an external auditor per country, including two higher-risk countries. We also continue to carry out internal audits, which we have been conducting from before.

(1) Voluntary inspection (monitoring)

We conducted voluntary inspections for all countries where the Asahi Group conducts BMS business, and all our sections engaged in the BMS business. The voluntary inspections checks the consistency and compliance of each section's operations with the Company's BMS Marketing Policy.

(2) Internal audits

Internal audits were conducted by the Asahi Group's auditing section, which is independent of the BMS business. In addition to the voluntary inspections described above, the internal audit provided suggestions to promote practice with respect for the WHO Code.

(3) External Verification

A third-party auditing organization NKKKQA, which is independent of the Asahi Group, verified the consistency of the BMS marketing activities of the Asahi Group Foods' headquarters and those of the Company conducted outside Japan, including in two higher-risk countries, with the Company's BMS Marketing Policy and local laws and regulations related to BMS. NKKKQA also verified the system for ensuring such consistency. The findings of this verification are available on the Asahi Group Holdings' website.

Reference: Report on the findings of external verification of the Company's BMS business
(Scope: The Company's BMS business in Mongolia and Vietnam, and the Asahi Group Foods Headquarters' BMS related operations)
Scope: The Asahi Group Foods Headquarters' BMS-related operations, and the Company's BMS business in Mongolia and Vietnam
< Link to the external report >

(4) Other Activities

The Company accepts whistleblowing and claims from external entities via multiple ways, and responds to all cases after confirming relevant facts. Claims are evaluated according to a predetermined process. When the claims are substantiated by facts or there is a suspicion of noncompliance, they are subject to corrective measures as in the case of voluntary inspections, internal audits, external verifications described above.
For claims concerning the Asahi Group, methods of claim submission other than the Company's normal reporting line will be integrated into the Group's "Speak Up" system from May 2024. Claims of noncompliance with the BMS Policy from inside or outside the Group will be evaluated and investigated with due consideration given to the protection of the person who submitted the claim.

Reference: About the Asahi Group's "Speak Up" system
A website explaining about the "Speak Up" system

In order to increase the transparency of the Company's BMS marketing activities, we will publicly disclose the [Attachment] describing the cases of suspected noncompliance with our BMS Marketing Policy that have been identified through our monitoring, internal audit, external verification, and other activities.
Through continuing to report on our progress, we plan to improve our BMS business initiatives and the policy upon which the initiatives are based.

6. Review by the person responsible for the BMS Marketing Policy

Since the publication of the "Our Approach towards 'Infant Formula' Distribution" in 2017, which provides the Asahi Group's responsible BMS marketing policy, the Asahi Group has significantly revised its BMS Marketing Policy in 2024 in light of the results of the 2023 verification of its activities, and has positioned it as the foundation of the marketing activities conducted by our employees involved in the BMS business, and has promoted the implementation of the policy in the work of each section and employee.

Also, the external verification provided us with suggestions on issues other than noncompliance, that are related to our BMS business. We understand that there are issues and challenges that need to be addressed not only by employees involved in the Group's BMS business, but also in cooperation with external stakeholders who cooperate with us in sales. Taking the opportunity of the BMS Marketing Policy revision,

we will continue to contribute to healthy growth of infants and young children through our business.

[Attachment]

About this attachment

Period covered: Activities conducted during the period from 1 January to 31 December, 2024.

Matters Described:
The following matters related to the Asahi Group's BMS business activities:
1. Noncompliance with the Company's BMS Marketing Policy or relevant national regulations identified through voluntary inspections (monitoring), internal audit by the Group's audit section, and external verification by NKKKQA (an audit organization independent of the Company); and claims received from internal and external entities through the “Speak Up” (Clean Line reporting system) or other channels regarding noncompliance with the Company's BMS Marketing Policy that are found to be true as a result of the investigation.
2. Matters that are not BMS Marketing Policy noncompliance but require improvement, identified during the above activities.

Criteria referred to:
・ “The Asahi Group’s Policy and Procedures for the Marketing of Breast-Milk Substitutes”
・ Laws and regulations of countries where Asahi Group conducts BMS business, that are related to the WHO Code and WHA’s Resolutions and are relevant to our BMS marketing and products.

Overview:
・ Regarding the noncompliance pointed out in the above audits and other means and claims submitted, there were 10 cases that were found to be true or suspected to be true as a result of investigations. (There were 11 cases, but one of them was of the same issue pointed out by both internal audits and external verification, so the total was 10 cases.)

- For the 6 cases of noncompliance with the Company's BMS Marketing Policy, we have prepared plans to promptly correct the issue, and reported the plans to the audit entity.
- The remaining four cases do not concern noncompliance with the Company's BMS Marketing Policy, but we have established a direction for improvement.
- Of the 10 cases of noncompliance with the BMS Marketing Policy, three cases concerned activities in Japan, including those of the headquarters, and seven case concerned activities overseas. Three cases in Cambodia, two cases in Mongolia and one case in Hong Kong related to non-compliance with product labelling, advertising and sales promotion, and one improvement item was to establish a mechanism to prevent the recurrence of errors related to these overseas laws and regulations and product labelling.

1. List of matters related to the Asahi Group's BMS business that are found to be in noncompliance with BMS Marketing Policy

Method of identification of noncompliance and other issues

* M: Monitoring (voluntary inspection), IA: Internal Audit, Ex: External Verification by a third-party organization, SP: “Speak Up” (via the Clean Line system), Ot: Others (claims made via Customer Relations Office and sales, and claims from NGOs, etc.)

No.	Mega process	Major process	Details of the claim	Relevant BMS WHO Code	Country covered	Method of Identification*	Corrective actions	Time of corrective action completion
1	Governance	Label	Although instructions had been given to local distributors regarding the 2024 internal audit finding of baby bottle labelling on powdered infant hydration drink packaging in Mongolia, the response schedule and progress had not been confirmed.	Article 9	Mongolia	M IA	It was confirmed that the baby bottle design on the packaging had been concealed with a sticker locally.	Completed
2	Governance	Label	The Mongolian regulatory directive stipulates that the statement "NO SALT OR SUGAR ADDED" must be written in capital letters. However, this indication was missing on seven confectionery products currently on sale, and while it was present on two baby food products, it was not capitalized as required.	Article 9	Mongolia	Ex	The local distributor and our company will mutually confirm the interpretation of local laws and regulations, and prepare product labels to ensure there are no deficiencies. Our company will also verify that the labels are properly affixed to the products.	October 2025
3	Governance	Label	Asahi Group Foods is registered with the local authorities in Cambodia and sells drinking water that can be used for infant formula preparation. However, the packaging included illustrations of baby bottles and indications suggesting its use for formula feeding.	Article 9	Cambodia	M	A dedicated product with modified design and labeling for the Cambodian market will be launched	June 2025

No.	Mega process	Major process	Details of the claim	Relevant BMS WHO Code	Country	Method of Identification*	Corrective actions	Time of corrective action completion
4	Governance	Label	Infant drinking water is being sold in Hong Kong with the target age indicated as under 6 months; however, appropriate age indication labeling has not been applied.	Article 9	Hong Kong (China)	M	The product is sold with a revised label indicating the target age as 6 months and older.	Completed
5	Compliance	Advertisement	Posts on Facebook include Step 1 and Step 2 infant formula (for ages 0-12 months and 1-3 years) along with images of babies.	Article 5	Cambodia	Ot	Fact-checking confirmed that the post was not made by the Company or the local distributor, but by a consumer on the Facebook customer service page. To prevent any misunderstanding that the post was an advertisement, the page's privacy setting was changed from public to private.	Completed
6	Compliance	Sales promotion	Step 1 and Step 2 formulas (for 0-12 months and 1-3 years) were being sold at a discounted price at a specialized baby store in Phnom Penh.	Article 5	Cambodia	Ot	The local distributor confirmed that the discounted sales were not instructed by the distributor but were carried out at the discretion of the shop owner, and that the shop owner is currently no longer offering discounts. The local distributor has requested and obtained a commitment from the shop owner not to sell at a discount going forward.	Completed

2. List of matters related to the Asahi Group's BMS business that are not found to be in noncompliance with the BMS Marketing Policy but require improvement

Method of identification of noncompliance and other issues

* M: Monitoring (voluntary inspection), IA: Internal Audit, Ex: External Verification by a third-party organization, SP: “Speak Up” (via the Clean Line system), Ot: Others (claims made via Customer Relations Office and sales, and claims from NGOs, etc.)

No.	Mega process	Major process	Details of points raised	Country	Method of Identification*	Directions of improvement.
1	Governance	Education	The current training record-keeping method, where the secretariat records the names of participants, carries a risk of omissions because it does not allow confirmation that all required individuals have completed the training.	Japan	IA	The guidelines should clearly specify the timing of the training, the target participants, and the content, and this information should be communicated through an official internal notification.
2	Governance	Procedure	The response procedure for external reports through the global website has been communicated via email; however, the communication flow has not been formally documented as a shared document. As a result, there is a risk that the information may be lost due to changes in email software.	Japan	EX	Create a response procedure for inquiries received through the global website, communicate it to all relevant employees, and store the document in a file location accessible to staff.
3	Governance	Label	The labeling issues and compliance with laws and regulations identified as areas for improvement in last year’s audit have been addressed to date through response plans and requests to local distributors to enhance their management systems. However, it remains necessary to investigate the root causes of each issue, implement corrective actions, and prevent recurrence. Additionally, the labeling of a product sold in Mongolia (Aqualyte ORS) was found to partially differ from the organizational guidelines.	Overseas	EX	The status of the label management system was reviewed with local distributors in each country last year. Going forward, it will be checked regularly on an annual basis, and any issues identified will be addressed and corrected. Regarding the Aqualyte ORS labels in Mongolia, discrepancies with the local distributor have already been shared. We will mutually verify the corrected labels and ensure that they are properly affixed to the products.

No.	Mega process	Major process	Details of points raised	Country	Method of Identification*	Directions of improvement.
4	Governance	Homepage	The multilingual site on the domestic website is intended and developed as content for domestic residents. However, since a link to this multilingual site was posted on the overseas business introduction page of the global website, there is a risk that it could be mistaken as a site intended for overseas users.	Japan	IA	A new page will be created and published on the global website for the overseas business introduction links. This page will be separate from the content intended for domestic residents and will primarily focus on products marketed overseas while ensuring compliance with relevant overseas regulations.