Publication of the “2025 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 2026.
Group Chief Corporate Affairs Officer (CCAO), 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 2025 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 country (*1) 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 2025

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 Asahi Group's Chief Corporate Affairs Officer (CCAO), 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

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 2025 for all countries in which we operate. Moreover, we verified the implementation of our BMS Marketing Policy by an external auditor per country, including 1 higher-risk country. 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 1 higher-risk country, 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 Asahi Group Foods Headquarters' BMS-related operations, and the Company's BMS business in Cambodia.

< 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 2025.

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:
・ The investigation into the non-conformities and improvement opportunities identified through above audits found 2 cases that were either confirmed or suspected to be valid.

- For the 1 case 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 1 case do not concern noncompliance with the Company's BMS Marketing Policy, but we have established a direction for improvement.
- Of the two cases identified, one involved non-compliance with the BMS Marketing Policy relating to activities and processes at the headquarters, while the other was an advertising-related matter in Cambodia for which improvement were required.

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	Communication	The activity guidelines related to the BMS Marketing Policy in Japan have been documented in training materials; however, the timing for updating the content and the rules for maintaining the documentation were not clearly defined.	-	Japan	IA	Clarified the rules and procedures for updating training materials and shared this information with the relevant departments via an internal memo.	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	Compliance	Advertisement	In Cambodia, room for improvement was identified regarding the placement of advertising materials and the method of product display. Whilst advertisements for the products in question have been displayed for more than 36 months, products subject to advertising restrictions under Cambodian law (within 24 months) are displayed on the same shelf, creating a risk that consumers may misidentify the products being advertised.	Cambodia	Ex	To prevent consumers from misidentifying the subject of the advertisement, the relevant shop will remove or replace the advertising material.