

A stylized graphic of a staircase with blue steps, ascending from the bottom left towards the top right. The steps are composed of various shades of blue, creating a sense of depth and movement.

ASAHI GROUP SUSTAINABILITY DATA BOOK

June 2022

Asahi

Contents and Editorial Policy

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Editorial Policy for SUSTAINABILITY DATA BOOK

About this SUSTAINABILITY DATA BOOK

This SUSTAINABILITY DATA BOOK 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 policies and systems in place, figures and data, is posted to this DATA BOOK, 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. For more information, please refer to the link below (Link to "Scope of Reports.")

● [Link to "Scope of Reports"](#)

Subject Areas

We report on the policies, plans and objectives, initiatives and the state of progress for both the social and environmental aspect of business activities.

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

Period Covered

This report primarily covers activities conducted in fiscal 2021 (January 1, 2021 - December 31, 2021), but also includes some information on activities carried out before fiscal 2021 as well as updates on recent activities.

Guidelines Referenced

We referenced the "Sustainability Reporting Standards" published by the GRI*.

*GRI

An abbreviation for Global Reporting Initiative. Established in 1997, the GRI is an organization that formulates globally applicable "sustainability reporting guidelines" and works towards spreading their use.

● [Link to "GRI Standard Contents Index"](#)

We referenced the "Alcoholic Beverages" and the "Non Alcoholic Beverages" standards for the food and beverage sector, which are among the industry-specific disclosure standards published by the SASB*.

*SASB

An abbreviation for Sustainability Accounting Standards Board. Established in 2011, the organization sets disclosure standards for ESG Elements that are expected to have a high future financial impact.

● [Link to SASB Content Index](#)

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Disclaimer

This data book 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.

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; 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 "Cheer the Future," our promise to the future, and "Sustainability Stories."

Sustainability Strategy

Sustainability at the Asahi Group

In order to put the Asahi Group Philosophy (AGP) into practice, the Asahi Group has formulated a Medium- to Long-Term Management Policy in 2022, based on back-casting from megatrends. In the Medium- to Long-Term Management Policy, the concept of our Long-Term Strategy is to “contribute to a sustainable society and respond to changing conceptions of wellbeing through delivering great taste and fun.” One of our core strategies is to integrate sustainability into management, aiming to achieve sustainable growth and build value together with our stakeholders.

In the sustainability strategy, the Asahi Group promotes initiatives, based on the Asahi Group Sustainability Principles as its keyway of thinking, with a view of achieving the realization of AGP. We have also clearly outlined vision for the Group to aim towards the promotion of sustainability, in the form of the Asahi Group Sustainability Vision.

Asahi Group Sustainability Principles

1. The Asahi Group is striving to realize the tastiness of products and services that exceed consumer expectations, using the blessings of nature. We preserve finite nature to hand down the important blessings of nature to future generations.
2. The Asahi Group is striving to bring more fun to life through its products and services. We build a sustainable society to allow a better life to be inherited.

Asahi Group Sustainability Vision

Based on the Sustainability Principles, we will strive to create values toward a better future in all regions where we operate by incorporating “Environment,” “People,” “Communities,” “Health,” and “Responsible drinking” into our corporate strategy.

Through these initiatives, we will continue to take on challenges and innovation to contribute to achieving the United Nations Sustainable Development Goals (SDGs).

Sustainability Strategy

Establishment of “Sustainability Stories”

In order to achieve the integration of sustainability into management, the Asahi Group has established “Cheer the Future”, our promise to the future, and “Sustainability Stories”. Our “Sustainability Stories” shows why, how, and what we are doing to address sustainability, and it represents our commitment to “Cheer the Future.” Based on this concept, the entire Group will work together to promote sustainability and improve engagement with internal and external stakeholders.

With “Cheer the Future”, our promise to the future, as the center, the Asahi Group’s sustainability strategy is structured like a windmill. The blue circle in the center represents the integration cycle of sustainability into management to contribute to a sustainable society through business. The four outer blades indicate specific actions we need to take. This windmill is spun by both of the power of nature’s blessings and our own actions.

Our Promise to the Future Cheer the Future

Sustainability Stories

Create lasting brand value

For over 100 years, we have worked with the blessings 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.

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.

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.

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.



Sustainability Strategy

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.

Board of Directors

Corporate Strategy Board

Global Sustainability Committee

Sustainability Execution Conference

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 issues)	<ul style="list-style-type: none"> Concrete examination and promotion of each material Issues 	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 2021

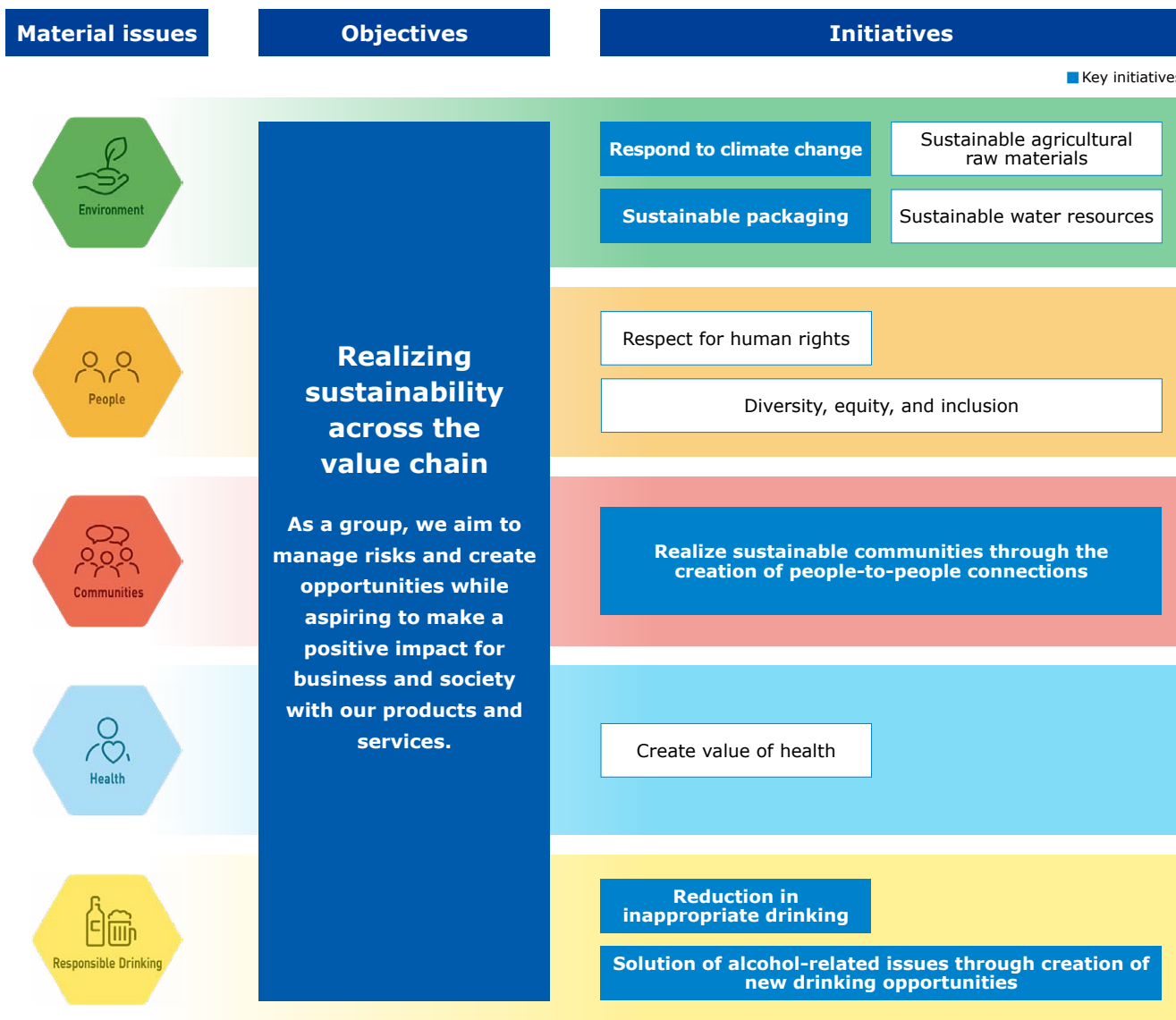
Organization	Month	Main Agenda
Global Sustainability Committee	December 2021	<ul style="list-style-type: none"> Resolution on global targets for the use of eco-friendly materials in PET bottles Sharing of best practice on community activities
Sustainability Execution Conference	March 2021	<ul style="list-style-type: none"> Discussion on the global management system Discussion on the roadmap and issues to achieve the goal of Asahi Carbon Zero, set at the December 2020 Global Sustainability Committee
Sustainability Leader Conference *Conducted to complement discussions at the Sustainability Execution Conference	May 2021	<ul style="list-style-type: none"> Discussions on the reconstruction of the sustainability strategy in parallel with the discussion on the formulation of the "Medium- to Long-Term Management Policy"
	September 2021	<ul style="list-style-type: none"> Discussions on global targets for the use of eco-friendly materials in PET bottles
	November 2021	<ul style="list-style-type: none"> Sharing of R&D information on Asahi Quality & Innovations, Ltd.
Sustainability Task Force	Environment	February, April, June, August, October and December 2021 <ul style="list-style-type: none"> Asahi Carbon Zero Strategy for 2030 Discussions on activities to combat the plastic issue Sharing of the progress of the 2021 Plan Sharing of best practices etc.
	Communities	May, September 2021 <ul style="list-style-type: none"> Sharing of the policy for "regional agricultural support" and best practices etc.
	Responsible Drinking	February, April, June, August, October and December 2021 <ul style="list-style-type: none"> Sharing of global trends Discussion on employee awareness training Sharing of the progress of the 2021 Plan Sharing of best practices etc.

Material Issues

Material Issues and KPIs of the Asahi Group

In 2022, alongside settling on “Cheer the Future,” our promise to the future, and “Sustainability Stories”, we have also reviewed our material issues. While the material issues themselves will remain the same as renewed in 2020, we have established objectives to accelerate the integration of sustainability into management, and reorganize our initiatives. We subsequently set key initiatives to which we will focus our management resources from among the initiatives.

For activities addressing our key initiatives, we are incorporating Group-wide targets into the targets and plans of each Regional Headquarters (RHQ) through a task force for each initiative and closely monitoring their progress under the Asahi Group’s sustainability governance system. Additionally, we have qualitatively organized the degree of business and social impact created through these initiatives. When organizing such impact, we have incorporated both the positive aspects of business growth and creation of environmental and social value and the neutralizing aspects of business risks and the reduction of social and environmental burden. Going forward, we will assess these impacts quantitatively and manage them as indices.



Material Issues

Global Targets in Key Initiatives, Creating Business Impact and Social Impact

Respond to Climate Change

<p>The Asahi Group's Medium- to Long-Term Target for Reducing CO₂ Emissions</p> <p>Asahi Carbon Zero </p>	<ul style="list-style-type: none"> • Reduce our CO₂ emissions in Scope 1, 2, and 3 to zero there by 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 30% in Scope 3 by 2030 (compared with 2019)*¹ 	<p>SDGs</p> <hr/> <p>7.2/7.3/13.1/13.2</p>			
<p>Plans for each RHQ</p>	<p>Japan</p> <ul style="list-style-type: none"> • Use renewable energy for 100% of electricity purchased at all production bases by 2025 • Reduce CO₂ emissions every year by 1% or more over the previous year 	<p>Europe</p> <ul style="list-style-type: none"> • Carbon neutral in breweries by 2030 (Scope 1 and 2) • Shift to 100% renewable electricity in breweries by 2025 	<p>Oceania</p> <ul style="list-style-type: none"> • Reduce CO₂ emissions in Scope 1 and 2 by 50% by 2025 (compared with 2019) • Shift to 100% renewable energy for the electricity used in Australia and New Zealand by 2025 	<p>Southeast Asia</p> <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 Europe & International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

*2 Applicable companies: Asahi Group Japan, Ltd., Asahi Europe & International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

Business Impact

Climate change is expected to impact the stable procurement of agricultural raw materials, such as barley and hops, and risks are expected due to factors including environmental restrictions. We estimate that implementing Asahi Carbon Zero when the carbon tax is introduced will result in cost reductions of ¥4.08 billion in 2030 and ¥12.23 billion in 2050. (TCFD) 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 products that reduce CO₂ emissions as eco-friendly products.

Social Impact

By achieving Asahi Carbon Zero and reducing CO₂ emissions across the entire value chain, we will contribute to the mitigation of climate change. 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.

Material Issues

Sustainable Packaging

<p>Groupwide Targets</p> <p>3R+Innovation </p>	<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 <p>SDGs</p> <hr/> <p>12.4/12.5/14.1</p>			
<p>Plans for each RHQ</p>	<p>Japan</p> <ul style="list-style-type: none"> Achieve sales target for unlabeled bottles (109% YOY increase in 2022) (Target: Asahi Soft Drinks Co., Ltd.) 	<p>Europe</p> <ul style="list-style-type: none"> 100% of our containers and secondary packaging will be reusable or fully recyclable by 2030 Reduce plastic container and packaging 25% by 2030 (compared with 2019) Use only containers, as well as secondary packaging, that are made chiefly from recycled content by 2030 	<p>Oceania</p> <ul style="list-style-type: none"> Develop partnerships to collect and repurpose more plastic for recycling by 2025 	<p>Southeast Asia</p> <ul style="list-style-type: none"> Use recycled materials on 30% of PET bottles by 2025 Reduce the amount of single-use plastic used per liter of product by 5% annually through to 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

Restrictions on containers and packaging that are not eco-friendly and an increase in demand for eco-friendly materials are expected to have an impact on procurement and costs. In the event that a carbon tax is introduced, we estimate that the impact of fluctuating PET bottle and other representative containers prices will be ¥32.25 billion in 2030 and ¥62.01 billion in 2050 (TCFD). Additionally, while there is a risk of reduced sales due to consumer aversion to plastics, we can expand profits by actively using eco-friendly materials that meet the needs of customers who want to purchase eco-friendly products.

Social Impact

Using eco-friendly materials in our containers and packaging leads to a reduction in the amount of fossil-based raw materials and CO₂ emissions. Furthermore, we contribute to reducing waste and building a society where plastic 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.

Material Issues

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

<p>Groupwide Targets</p> <p>RE:CONNECTION </p>	<ul style="list-style-type: none"> • Focus on “Food,” “Regional Environments,” and “Disaster Relief” • Support regional agriculture, which is the foundation of food and has a significant impact on regional environments, to connect to the future <p>Strengthen community connections through employee participation in solving social issues in the community</p> <p>SDGs</p> <p>2.4/11.a/17.16/17.17</p>			
<p>Plans for each RHQ</p>	<p>Japan</p> <ul style="list-style-type: none"> • Create opportunities for employees to participate in community support activities by launching a common platform for operating companies in Japan • Achieve 2022 target for the number of original regional co-creation measures implemented by business units (Target: ASD) 	<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"> • Launch the Environmental Think Tank, an organization that enables employees to participate in resolving regional environmental issues, and implement proposed projects 	<p>Southeast Asia</p> <ul style="list-style-type: none"> • Conduct community programs at each business unit twice a year

Business Impact

We hope that creating connections and resolving social issues in the three key areas of food, regional environment, and disaster relief will engender a sense of appreciation and trust as a company and for creating products that represent local communities. We will resolve social issues through our business activities by forging direct connections between our employees and local communities and deepening our understanding of local social issues. However, if local communities, such as our regions of operation and regions of raw material production, become vulnerable, this may impact stable operations and procurement.

Social Impact

By engaging in support of regional agriculture and conserving the regional environment, we contribute to avoiding the degradation of local economies. Bringing people together for conversation, food and drink, and to feel connected, leads to their well-being and the social and economic revitalization of local communities. The Asahi Group’s businesses hope to contribute to the realization of sustainable communities through the creation of people-to-people connections.

Material Issues

Reduction in Inappropriate Drinking

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

Groupwide Targets	<ul style="list-style-type: none"> • Achieve a 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 alcoholic beverage brands (including non-alcoholic 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* by 2025 			SDGs
				3.5
Plans for each RHQ	Japan	Europe	Oceania	
	<ul style="list-style-type: none"> • Achieve 20% non-alcohol and low-alcohol sales composition ratio by 2025 	<ul style="list-style-type: none"> • Achieve 20% share of non-alcoholic products in our portfolio by 2030 	<ul style="list-style-type: none"> • Achieve 30% non-alcohol and low-alcohol sales composition ratio across beer portfolio by 2025 	

* Beer-type beverages, RTD, non-alcohol beverages

Business Impact

Restrictions on alcohol may be strengthened due to an increase in inappropriate drinking. Also, we expect a distancing from alcohol due to changes in consumer awareness and diversifying value systems toward alcohol. Meanwhile, we are expanding sales of non-alcohol and low-alcohol beverages and acquiring business opportunities by proposing a variety of ways to enjoy drinking, including for people who do not or cannot drink alcohol.

Social Impact

Reducing issues resulting from inappropriate drinking, including traffic accidents caused by drunk driving and illnesses caused by binge drinking, will lead to a reduction in social losses. Furthermore, we promote appropriate ways to enjoy alcohol and contribute to the realization of a society that accepts diverse ways to enjoy drinking under various circumstances and in different settings.

Material Issues

KPIs for Other Initiatives

Material Issues	Initiatives	Organizations	KPIs (As of 2022)	Social Impact	SDGs (Contributable Goals and Targets)
Environment	Sustainable agricultural raw materials	AGJ	Raise the ratio of palm oil purchased from RSPO-certified suppliers to 50% in 2022 (Book and Claim certification system) *The method for calculating the actual results was revised in 2021.	Contribute to reducing environmental load and resolving human rights issues in the production process of palm oil	2.4/12.2
		Consolidated Group*1	Reduce water intensity to 3.2 m ³ /kl or less by 2030 through streamlining of water usage and expansion of recycling system		
	Sustainable water resources	AEI	Reach an average consumption in Europe of 2.75 liters of water per liter of beer brewed by 2030 Spend less than 3 liters of water to brew a liters of beer in every single brewery we operate in Europe	Increase the sustainability of water resources by reducing water use and nurturing water sources	6.4/6.6
		AHA	Reduce water use at our key manufacturing sites by 2030 to just 2.19 liters per liters of beverage we produce		
		Entire Group	Carry out water risk survey periodically (once every 5 years) at Group manufacturing bases		
		AGJ	Maintain water neutrality at our breweries in Japan through the utilization of Asahi Forest		
	Other environmental activities	Entire Group*2	Achieve zero landfill waste at our manufacturing bases by 2030	Contribute to the realization of a recycling-based society through waste reduction and recycling	2.4/12.2/12.5
		AGJ	Maintain the 100% recycling rate for all by-products and waste		
People	Respect for human rights	AGH	Complete a round of the human rights due diligence process at suppliers by 2022	Respect human rights of stakeholders in the supply chain	8.5/8.7/8.8/10.2
		AGH	Implement human rights training for employees twice a year		
	Diversity, equity, and inclusion	Entire Group*3	Increase the percentage of female representation of leadership positions to 40% or more by 2030	Empower human resources from diverse backgrounds and contribute to the realization of a society that leaves no one behind	5.1/5.5/10.2/10.3/10.4
Health	Create value of health	AGJ	Achieve the sales targets for Foods for Specified Health Uses, Foods with Functional Claims, and healthcare products Target products: Karada Calpis, Karada Juroku-cha, etc.	Allow consumers to realize a healthier lifestyle by offering a wide range of options conducive to health	3.2/3.4
		AGJ	Achieve sales targets for the 100ml series, which advertises value of health Target products: Todoku Tsuyosa-no Nyusankin, Mamoru Hataraku Nyusankin, etc.		

Material Issues

KPIs for Other Issues

Theme	Organizations	KPIs (As of 2022)	Social Impact	SDGs (Contributable Goals and Targets)
Realize sustainable supply chains	AGH	Conduct 12 on-site interviews based on the supplier CSR questionnaire per year	Contribute to the reduction of environmental load in the supply chain and the realization of a society where human rights are respected	2.3/2.4/12.6/12.7
Secure food safety & reliability	Entire Group	Achieve zero quality accidents *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.	Allow consumers to choose beverages and food safely	3.2/3.4
	AHSEA	Acquire HACCP certification for all plants by 2022		
Human resources management	AGH	Achieve the following targets for the numbers of participants in training programs: • 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	Collaborate with society by employees with diverse values	8.5
Safety and Well-being	AGJ	Achieve a 100% participation rate in the seminar for managers, seminar for supervisors, and training for employees, which are all intended for plant employees (Target:AB)	Contribute to society by increasing the sustainability of the business through the ensuring of employees' safety and well-being	3.4/8.5/8.8
	AGJ	Achieve a 100% stress check implementation rate		
	AGJ	Achieve a 98% rate for the special health check-ups by 2023		
	AGJ	Achieve a 45% rate for the implementation of guidance on lifestyle diseases by 2023		

*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 Breweries Europe Ltd. AHA: Asahi Holdings (Australia) Pty Ltd.

AGHSEA: Asahi Group Holdings Southeast Asia Pte. Ltd.

*1 AB, ASD, AEI, AHA, AHSEA

*2 AGJ, AEI, AHA, AHSEA

*3 AGH, AGJ, AEI, AHA, AHSEA

Material Issues

Background for Identifying Material Issues

The Asahi Group revised its material issues in 2020 and reevaluated our material issues in line with the formulation of a new Medium- to Long-Term Management Policy that includes long-term strategies applied in 2022. As a result, while the material issues themselves remain unchanged, we have organized the initiatives and determined key initiatives on which to focus management resources.

When revising 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 Asahi Group Philosophy. In identifying key initiatives, we emphasized the perspective of “whether we can create unique value” of importance to the Asahi Group.

Processes for Identifying Material Issues

1. Identifying Social Issues

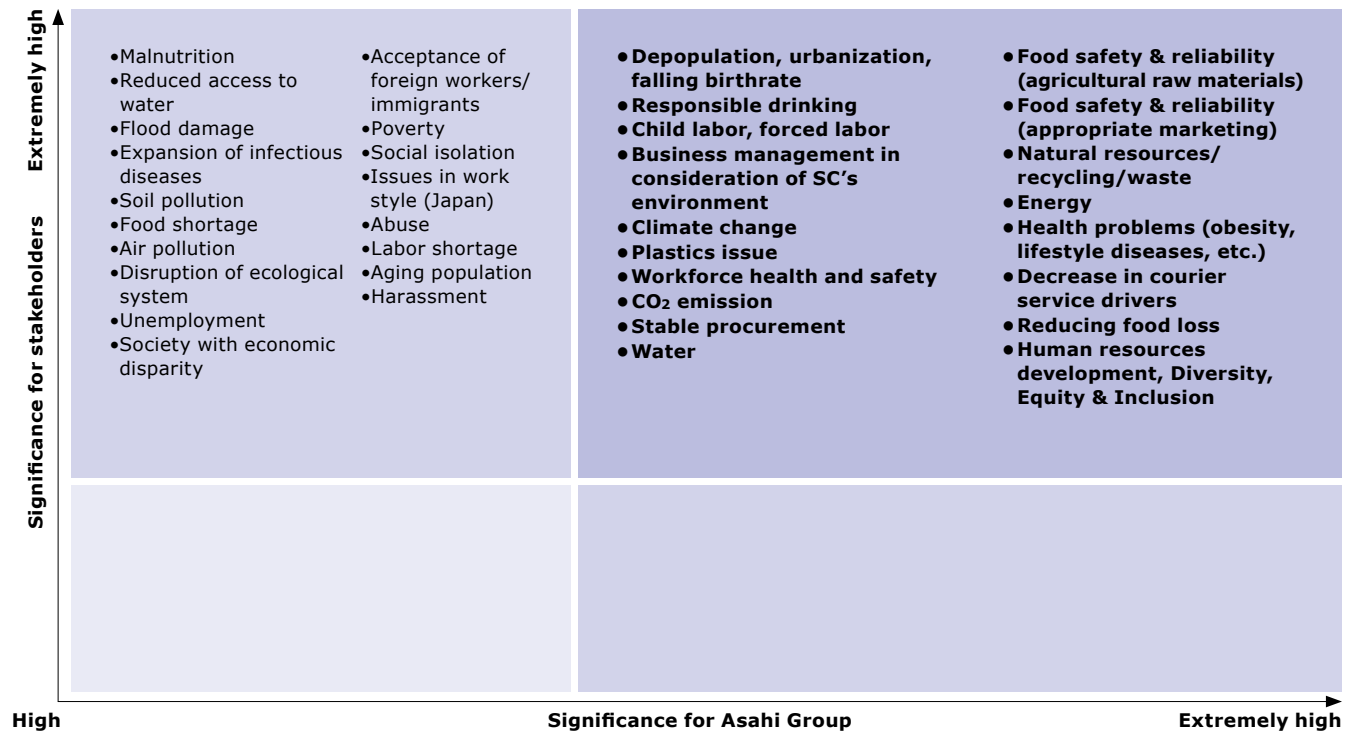
A broad range of social issues were identified for consideration based on the following perspectives.

- Sustainability report guidelines (GRI standard / SASB)
- ESG assessments (FTSE / MSCI / Sustainalytics / CDP)
- SDGs

- World Economic Forum (WEF) Global Risks Report
- Global megatrends, future predictions
- 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.



Material Issues

3. Evaluating Adequacy

After discussions with each RHQ, top management of the Asahi Group Holdings 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. 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. The Asahi Group will implement the PDCA cycle by setting

KPIs for each initiative, focusing on key initiatives, and periodically assessing achievements.

Progress on Material Issue Initiatives (in 2021)

The status of initiatives addressing material issues in 2021 is detailed below. Under our sustainability promotion framework, reasons will be identified for unachieved targets and efforts promoted toward achievement.

KPIs Based on Material Issues

Material Issues	Theme	Organizations	KPIs (As of 2021)	2021 Achievements
Environment	Climate Change	Entire Group*1	Reduce our CO ₂ emissions in Scope 1, 2, and 3 to zero by 2050, thereby becoming carbon neutral	Actual scope 1, 2, and 3 emissions: 7,074 kt-CO ₂
		Consolidated Group*2	Reduce CO ₂ emissions in Scope 1 and 2 by 50% by 2030 (compared with 2019)	Actual scope 1 and 2 emissions: 744 kt-CO ₂ , 19% reduction compared with 2019
		Consolidated Group*1	Reduce CO ₂ emissions in Scope 3 by 30% by 2030 (compared with 2019)	Actual scope 3 emissions: 6,330 kt-CO ₂ , 6% reduction compared with 2019
		AGJ	Reduce CO ₂ emissions every year by 1% or more over the previous year	Actual scope 1 and 2 emissions: 402 kt-CO ₂ , 10% YOY reduction
		AGJ	Use renewable energy for 100% of electricity purchased at all production bases by 2025	The ratio of electricity purchased at production bases that comes from renewable energy: 46%
		AEI	Carbon neutral in breweries by 2030 (Scope 1 and 2)	Actual scope 1 and 2 emissions from plants: 175 kt-CO ₂ , 42% reduction compared with 2019
		AEI	Shift to 100% renewable electricity in breweries by 2025	The ratio of electricity used at plants that comes from renewable energy: 56%
		AHA	Reduce CO ₂ emissions in Scope 1 and 2 by 50% by 2030 (compared with 2019)	Actual scope 1 and 2 emissions: 167 kt-CO ₂ , 10% increase compared with 2019
		AHA	Shift to 100% renewable energy for the electricity used in Australia and New Zealand by 2025	The ratio of electricity used in Australia and New Zealand that comes from renewable energy: 8%
		AHSEA	Reduce CO ₂ emissions in Scope 1 and 2 by 20% by 2030 (compared with 2019)	Actual scope 1 and 2 emissions: 56 kt-CO ₂ , 0.7% reduction compared with 2019
	Sustainable Agricultural Raw Materials	AGS	Raise the ratio of palm oil purchased from RSPO-certified suppliers to 25% in 2021 (Book and Claim certification system)	Actual proportion of purchase: 31%
		AHSEA	Purchase 20% of palm oil from MSPO-certified suppliers by 2021 in Malaysia	Actual proportion of purchase: 0% * Revised plan due to changes in market environment
	Sustainable Packaging	AGJ, AHA, AHSEA	Realize 100% utilization of materials for plastic containers that can be used effectively by 2025 * Effective use: Reusable, recyclable, compostable, thermal recyclable, etc.	Actual rate of use: 97% * The approach to effective utilization differs by country.



Material Issues

Material Issues	Theme	Organizations	KPIs (As of 2021)	2021 Achievements
Environment	Sustainable Packaging	AEI	Use only containers, as well as secondary packaging, that are reusable or fully recyclable by 2030	Actual rate of use: 97%
		ASD	Make the ratio of eco-friendly materials in plastic containers 60% by 2030	Achievement rate to 2021 target volume: 93%
		AEI	Use only containers, as well as secondary packaging, that are made chiefly from recycled content by 2030	Actual rate of use: 95%
		AHSEA	Use recycled materials on 30% of PET bottles by 2025	Promote participation in external initiatives toward the start of activities
		ASD	Achieve sales target for unlabeled bottles	Actual rate of sales target achievement: 214% (A YOY increase of 2.1x)
		AEI	Reduce plastic container/packaging by 25% by 2030 (compared with 2019)	9% reduction compared with 2019
		AHSEA	Reduce the amount of single-use plastic used per liter of product by 5% annually through to 2025	Actual amount used: 116% compared with 2019
		AHSEA	Increase the ratio of FSC-certified cardboard used for product packaging to 100% by 2021	Actual rate of use: 60%
		Sustainable Water Resources	Consolidated Group*3	Reduce water intensity to 3.2 m ³ /kl or less by 2030 through streamlining of water usage and expansion of recycling system
	Entire Group		Carry out water risk survey periodically (once every 5 years) at Group manufacturing bases	Number of manufacturing bases surveyed for water risk: 6 * AGJ: 4, AHA: 2 ** All bases planned to be surveyed by 2024.
	AB		Achieve water neutrality at all breweries in Japan by 2025 through the utilization of Asahi Forest	Rate of water neutrality achievement: 114%
	Circular Economy	AGJ	Maintain the 100% recycling rate for all by-products and waste	Actual recycling rate: 100%
	People	Respect for Human Rights	AGH	Complete a round of the human rights due diligence process at suppliers by 2022
Human Resources Development		AGH	Achieve the following targets for the numbers of participants in training programs: • 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: 88 Number of participants in Global Leadership Development Program: 8 * Some programs were cancelled due to COVID-19 pandemic Number of participants in One Young World: 18
Diversity, Equity and Inclusion		AGH	Increase the ratio of women holding managerial positions to 20% by 2021	Ratio of women holding managerial positions: 14%.
Workforce Health and Safety		AB	Achieve a 100% participation rate in the seminar for managers, seminar for supervisors, and training for employees, which are all intended for plant employees	Actual participation rate: 100%
		AGJ	Achieve a 100% stress check implementation rate	Actual implementation rate: 95%

Material Issues

Material Issues	Theme	Organizations	KPIs (As of 2021)	2021 Achievements
People	Workforce Health and Safety	AGJ	Achieve a 98% rate for the special health check-ups by 2023	Actual check-up rate: 99%
		AGJ	Achieve a 45% rate for the implementation of guidance on lifestyle diseases by 2023	Actual implementation rate: 47%
Communities	Create People-to-People Connection	ASD	Achieve 2021 target for the number of original regional co-creation measures implemented by business units	Rate of target achievement: 72% *Some initiatives including mass-participation events were cancelled due to COVID-19 pandemic.
		ASD	Achieve sales target for "Mitsuya Nihon Kudamono" made with domestically grown specified fruit varieties	Rate of sales target achievement: 76%
		AHSEA	Conduct community participation programs such as beach cleanups at each business unit twice a year	Number of implementation: 22
	Realize Sustainable Supply Chains	AGH	Conduct 12 on-site interviews based on the supplier CSR questionnaire	Number of implementation: 12 *Conducted online
Health	Secure Food Safety & Reliability	Entire Group	Achieve zero quality accidents *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.	Actual number of quality accidents: 0
		AHSEA	Acquire HACCP certification for all plants by 2022	Three out of four plants accured HACCP certification.
	Create Value of Health	ASD	Achieve the sales targets for Foods for Specified Health Uses, Foods with Functional Claims, and healthcare products Target products: Karada Calpis, Karada Juroku-cha, etc.	Rate of sales target achievement: 85%
		ASD	Achieve sales targets for the 100ml series, which advertises value of health Target products: Todoku Tsuyosa-no Nyusankin, Mamoru Hataraku Nyusankin, etc.	Rate of sales target achievement: 67%
		AHSEA	Reduce the quantity of sugar contained in 70% of the RTD products in Malaysia to 5g or less per 100ml by 2021	Actual proportion of products containing 5g or less sugar: 82%
Responsible Drinking	Reduction in Inappropriate Drinking	Entire Group*2	Achieve a 100% participation rate of employees in at least one training program by 2023	Planned to start globally in 2023 * Actual participation rate in Japan: 97%
		Entire Group	Achieve 80% compliance with IARD Digital Guiding Principles (DGP) by 2021	The DGP compliance rate was 55%.
		Entire Group	Display age restrictions on alcohol consumption on all products under alcoholic beverage brands (including non-alcoholic beverages sold under that brand) by 2024	Actual labeling rate in Japan: 100% Group-wide efforts are in progress toward target achievement.

Material Issues

Material Issues	Theme	Organizations	KPIs (As of 2021)	2021 Achievements
Responsible Drinking	Solution of Alcohol-related Issues through Creation of New Drinking Opportunities	Consolidated Group*4	Achieve more than 15% low-alcohol and non-alcohol sales composition ratio by 2025	Actual sales composition: 10%
		AB	Achieve 20% low-alcohol and non-alcohol sales composition ratio by 2025	Actual sales composition: 9%
		AEI	Achieve 20% non-alcohol sales composition ratio by 2030	Actual sales composition: 5%
		AHA	Achieve 25% low-alcohol and non-alcohol sales composition ratio by 2025	Actual sales composition: 29%

*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 Breweries Europe Ltd. AHA:Asahi Holdings (Australia) Pty Ltd. AGHSEA:Asahi Group Holdings Southeast Asia Pte. Ltd.

*1 AB, ASD, AEI, AHA

*2 AGJ, AEI, AHA

*3 AB, ASD, AEI, AHA, AHSEA

*4 AB, AEI, AHA

Communication with Stakeholders

Communication with Major Stakeholders

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 everything possible, based on the Asahi Group Philosophy and the **Asahi Group Code of Conduct**.

Main Stakeholders	Content of the Asahi Group Code of Conduct	Main Contact Opportunities
Consumers	<p>1. Pursuit of customer and consumer satisfaction Asahi places its highest priority on the safety and trust of its customers and consumers. Asahi 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 Asahi provides to customers and consumers helpful information regarding its products and services. Asahi 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 Asahi 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. Asahi will grow itself through the growth of its employees. Asahi complies with labor laws in each country and region where Asahi 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"> • Interview 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 Asahi endeavors to address social issues through its business and to contribute to the achievement of a sustainable society. The respect for human rights is fundamental to everything Asahi does.</p> <p>5. Anti-bribery Asahi will not engage in any form of bribery or corruption, and strives to maintain honest and healthy business relationships. Asahi will remain politically neutral.</p>	<ul style="list-style-type: none"> • Activities for contribution to local community (e.g. Community activities on material issues) • Activities against COVID-19 • Plant tours • Volunteer activities in regions with workplaces • Sales activities • Purchasing • News releases • Website
Partners	<p>6. Foster fair and healthy relationships with our business partners Asahi engages suppliers and other business partners based on a comprehensive assessment, which includes quality and price. Asahi 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 Asahi 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 Asahi complies with laws and regulations concerning fair competition applicable to each country and region where Asahi 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 Asahi seeks to increase corporate value through sustainable profit growth and the appropriate return of profits to shareholders. To achieve this, Asahi manages its tangible and intangible assets properly in accordance with the company rules and protect the value of such assets.</p> <p>10. Timely, appropriate and fair disclosures Asahi 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 • Environmental report • Dialogues with ESG assessment agencies • Website

Communication with Stakeholders

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.

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.

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

- Material Issues

SUSTAINABLE DEVELOPMENT GOALS



Communication with Stakeholders

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)
- The 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
- 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 & Reliability

- Japan Food Safety Management Association (JFSM)



Protect the Blessings of Nature

Environment

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

Key Initiatives

- Respond to Climate Change
- Sustainable Packaging

Initiatives

- Sustainable Agricultural Raw Materials
- Sustainable Water Resources

Policy and System

- Environmental Policies
- Environmental Management

Others

- Environmental Achievements
- Respond to TCFD Recommendations
- Green Bond
- Other Environmental Activities



Environmental Policies

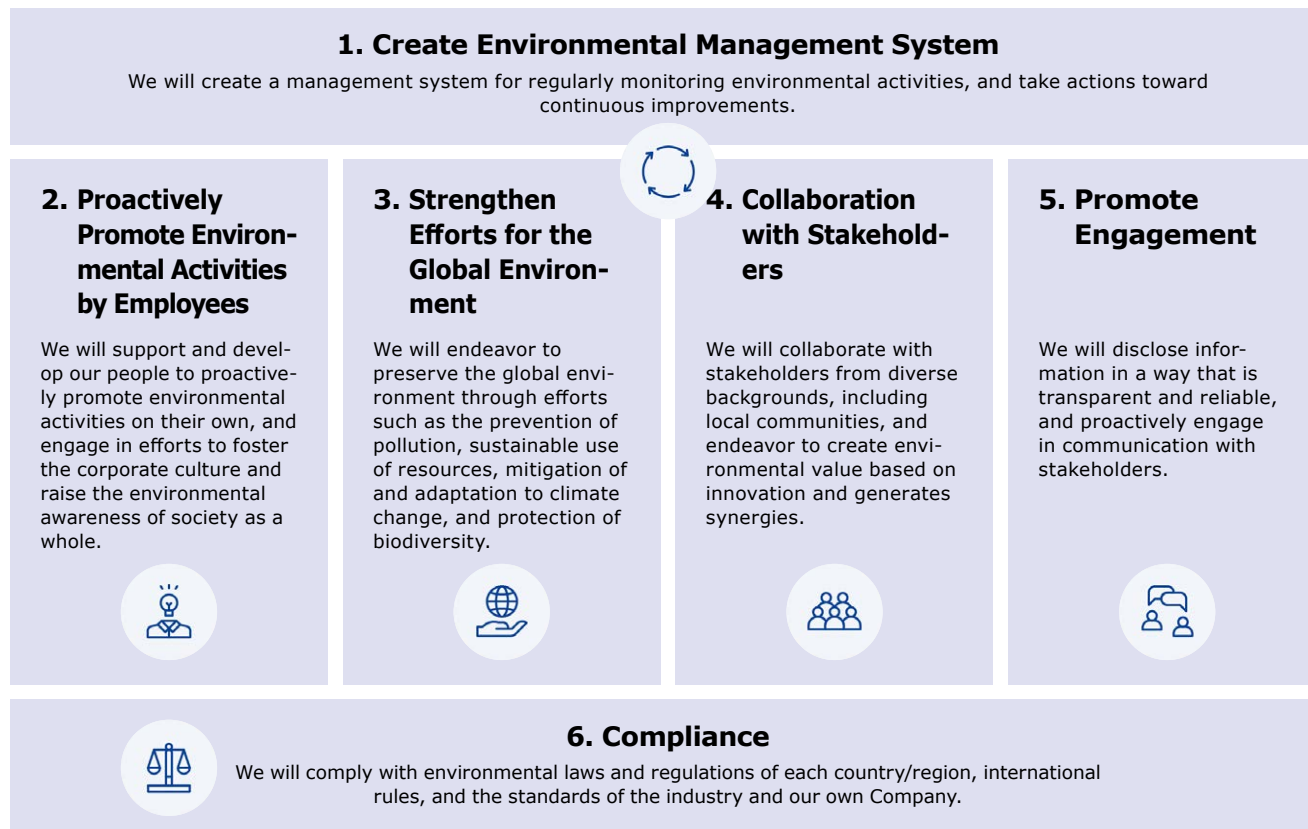
Environmental Principles

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 as a corporate group that created most of the products with “the blessings of nature.” These principles are aimed at addressing environmental issues proactively, as all the employees in the Asahi Group follow these principles.

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.



Environmental Policies

Asahi Group Environmental Vision 2050

We, the Asahi Group, have been enjoying the gifts of nature to create its 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 the human beings 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 environment and biodiversity, and resilience against natural disasters is enhanced

Goals (KPI)

- Material Issues

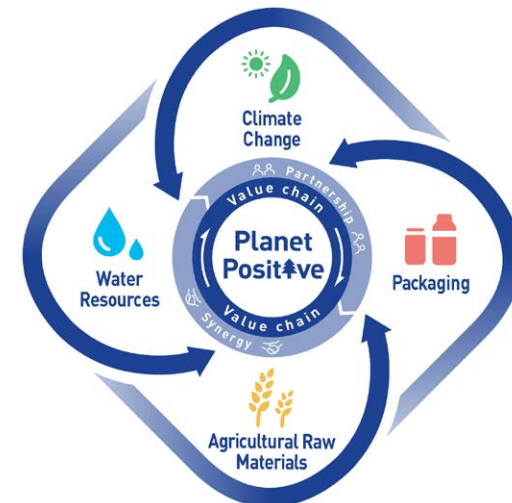
Related Information

- Respond to Climate Change
- Sustainable Packaging
- Sustainable Agricultural Raw Materials
- Sustainable Water Resources
- Reduction of Waste and Prevention of Pollution
- Biodiversity Conservation
- Realize Sustainable Supply Chains
- Asahi Forest (Japanese Only)

Asahi Group's Efforts to Realize its Vision

At the Asahi Group, we carry 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 the 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



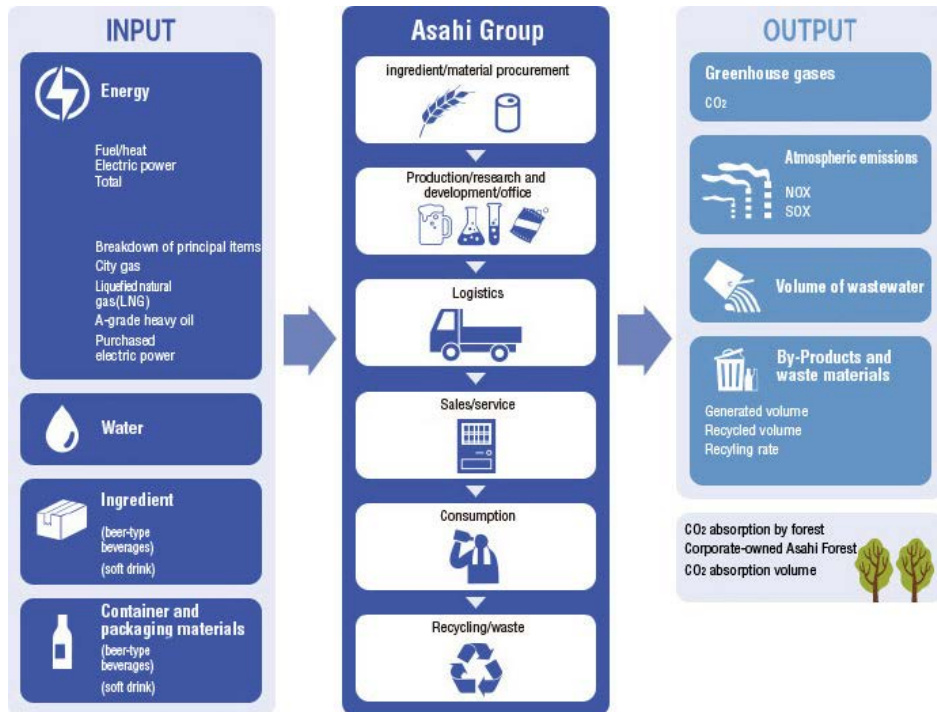
Environmental Achievements

Material Balance

Total Environmental Burden generated with Business Activities

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

Material Balance



INPUT		2017	2018	2019	2020	2021
Category	Item					
Energy	Fuel/Heat (GJ)	6,438,000	6,252,000	6,289,000	5,857,000	5,714,172
	Electric Power (GJ)	3,486,000	3,319,000	3,141,000	3,096,000	3,184,954
	Total (GJ)	9,924,000	9,571,000	9,430,000	8,953,000	8,899,126
Breakdown of principal items	City Gas (m ³)	109,909,000	106,508,000	109,011,000	100,485,000	98,203,888
	Liquefied natural gas (LNG/tons)	9,530	9,570	9,497	9,361	9,088
	A-grade heavy oil (kl)	8,904	8,431	6,610	6,271	6,075
	Purchased electric power (kWh)	357,553,000	340,526,000	322,177,000	318,463,000	324,723,000
Water	Water (m ³)	23,723,000	22,777,000	22,280,000	20,584,000	20,226,563
Ingredient	beer-type beverages (tons)	338,000	283,000	271,000	255,000	220,000
	soft drinks (tons)	237,000	264,000	283,000	263,000	260,000
Container and packaging materials	beer-type beverages (tons)	325,000	297,000	278,000	184,000	162,000
	soft drinks (tons)	187,000	143,000	129,000	133,000	132,000

OUTPUT		2017	2018	2019	2020	2021
Category	Item					
Greenhouse gases	CO ₂ (tons)	528,000	495,000	469,000	447,000	402,057
Atmospheric emissions	NO _x (tons)	151	157	215	179	177
	SO _x (tons)	12	14	18	13	8
Volume of wastewater	Volume of wastewater (m ³)	16,779,000	16,615,000	16,428,000	15,312,000	14,872,927
Drainage water quality*1	BOD (tons)	-	-	354.7	294.6	354.2
	COD (tons)	-	-	125.3	92.3	116.2
By-Products and waste materials	Generated volume (tons)	307,000	287,000	255,000	250,000	225,000
	Recycled volume (tons)	307,000	287,000	255,000	250,000	225,000
	Recycling rate (%)	100	100	100	100	100

*Scope of aggregation: Companies in Japan

*Target period: 2021 January - December

*1 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	2017	2018	2019	2020	2021						
		Invest-ment of amount	Amount of ment cost	Invest-ment of amount	Amount of ment cost	Invest-ment of amount	Amount of ment cost	Invest-ment of amount	Amount of ment cost	Invest-ment of amount	Amount of ment cost	
1. Cost incurred by business areas*1		2,239	6,552	2,030	6,759	2,703	6,267	1,403	6,258	917	6,323	
Break-down	(1) Pollution prevention cost		653	2,474	577	2,796	1,441	2,550	879	2,665	328	2,570
	(2) Global environment preservation cost		953	1,771	1,007	1,600	720	1,566	306	1,506	406	1,597
	(3) Re-source circulation cost		633	2,307	446	2,363	542	2,151	218	2,087	183	2,156
2. Upstream and downstream cost*2		-	549	-	761	-	520	-	617	-	756	
3. Managing activity cost*3		-	428	-	361	-	484	-	437	-	505	
4. Research and development cost*4		32	177	47	249	40	255	112	334	126	536	
5. Social activity cost*5		-	220	-	224	-	444	-	476	6	520	
6. Environmental damage cost*6		-	-	-	-	-	-	-	-	-	-	
Total value		2,271	7,926	2,077	8,353	2,743	7,970	1,515	8,122	1,049	8,640	

Economic Effect as a Result of Measures Taken for Environmental Preservation

Unit: million yen

Content of effect	2017	2018	2019	2020	2021
Total amount of sales of valuable items due to recycling of waste	291	279	265	225	217
Amount of expenditure reduction due to energy saving policies	104	142	273	119	280

- *Scope of aggregation: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd.
- *Target period: 2017, 2018, 2019, 2020, 2021 (all from January 1 to December 31)
- *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

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 (2021)

Audit Scope (Japan)

Group Companies	<ul style="list-style-type: none"> •Asahi Breweries, Ltd. •Asahi Draft Marketing Co., Ltd. •Asahi Food Create, Ltd. •Michinoku, Ltd. •Asahi Group Foods, Ltd. •Asahi Logi Ltd. 	<ul style="list-style-type: none"> •The Nikka Whisky Distilling Co., Ltd. •Enoteca Co., Ltd. •Asahi Soft Drinks Co., Ltd. •Kyushu Asahi Soft Drink Sales Co., Ltd. •Nippon Freeze Drying Co., Ltd. 	<ul style="list-style-type: none"> •Sendai Nikka Service Co., Ltd. •Nadaman Co., Ltd. •Asahi Soft Drinks Sales Co., Ltd. •Asahi Orion Soft Drinks Co., Ltd. •Wako Food Industry Co., Ltd.
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Audit Results (Environmental Management)

Follow-through requiring more than improvement	77 cases
Major follow-through issues	<ul style="list-style-type: none"> •Improper waste-related (contracts, manifests etc.) management methods: 44 cases •Flaw in the procedure for management of environmental facility (including wastewater processing): 7 cases •Flaw in Freon-related control procedures: 17 cases •Other improper environmental law-related response/management: 9 cases

Environmental Achievements

Occurrence of Major Accidents and Violations

At the Asahi Group, in 2021 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 2021.

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 the 2021 survey conducted by CDP, an international non-profit organization, included Asahi Group Holdings in its A-List (the highest rating) in the “climate change” and “water security” categories.



Wins Bronze Award of the 3rd ESG Finance Awards Japan

Organized by the Ministry of the Environment, **ESG Finance Awards Japan (Japanese Only)** recognizes and commends the activities of 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 activities of 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.

Asahi Group won the Bronze Award in the environmentally sustainable companies’ division of the 3rd ESG Finance Awards Japan, following the previous year.

Company	Organizing Body	Date	Details
Asahi Group Holdings, Ltd.	CDP	February 2022	☑ Certified as a “Supplier Engagement Leader” company, the highest rating in CDP’s Supplier Engagement Evaluation for the second successive year (Japanese only).
Asahi Group Holdings, Ltd.	Ministry of the Environment	February 2022	Won the bronze award in the environmentally sustainable companies’ 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

Environmental Achievements

Third-Party Verification

The Asahi Group considers that centralizing environment-related information and data throughout the Asahi Group including its overseas companies 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	Verification started in:
Greenhouse gas emissions (Scope 1 and 2)	ISAE3000 ISO14064-3	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)	ISAE3000 ISO14064-3	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	ISAE3000	Asahi Group companies in Japan, Europe and Oceania	2018
		Asahi Group companies in Southeast Asia	2019
Water consumption and wastewater discharge	ISAE3000	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 & 2 Emissions Inventory (2014) Assurance statement related to Scope 1 & 2 Emissions Inventory (2015)
Assurance statement related to Scope 3 (2015) Assurance statement related to Scope 1 & 2 Emissions Inventory (2016) Assurance statement related to
Scope 3 (2016) Assurance statement related to Scope 1 & 2 Emissions Inventory (2017) Assurance statement related to Scope 3 (2017) Assurance state-
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wastewater discharge (2019) Assurance of data related to Scopes 1, 2, 3, energy consumption, water consumption and wastewater discharge (2019) Assurance
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ergy consumption, water consumption and wastewater discharge (2020) Assurance statement related to Scopes 1, 2, 3, energy consumption, water consumption
and wastewater discharge (2021) Assurance of data related to Scopes 1, 2, 3, energy consumption, water consumption and wastewater discharge (2021)

Related Information FY2020 Anti-global Warming Plan of Tokyo Metropolitan Government (Japanese only)

Environmental Management

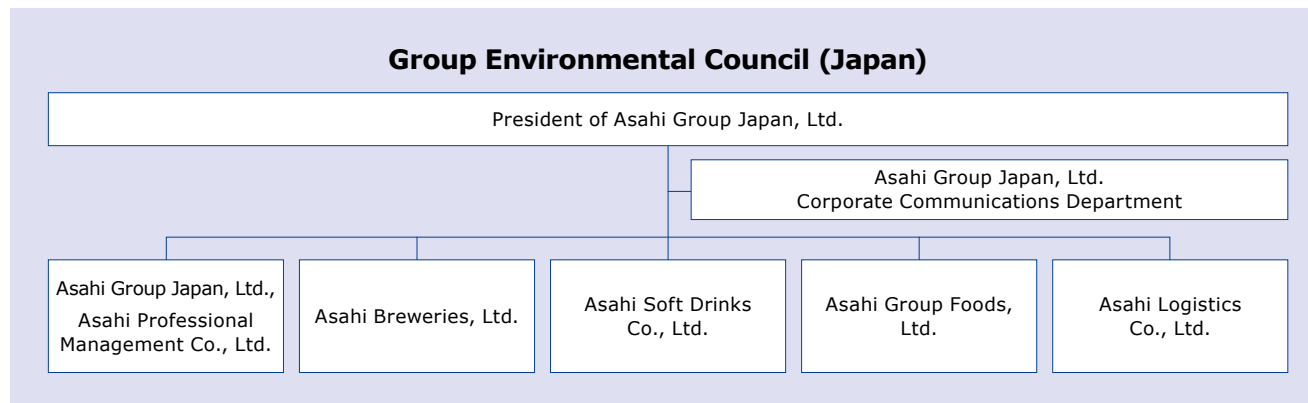
Environmental Management System

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 & 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. The Council sets targets for achieving the Group's medium-term environmental goals under the Asahi Group Environmental Vision 2050 as well as monitoring and assessing the progress of the Group's environmental activities.

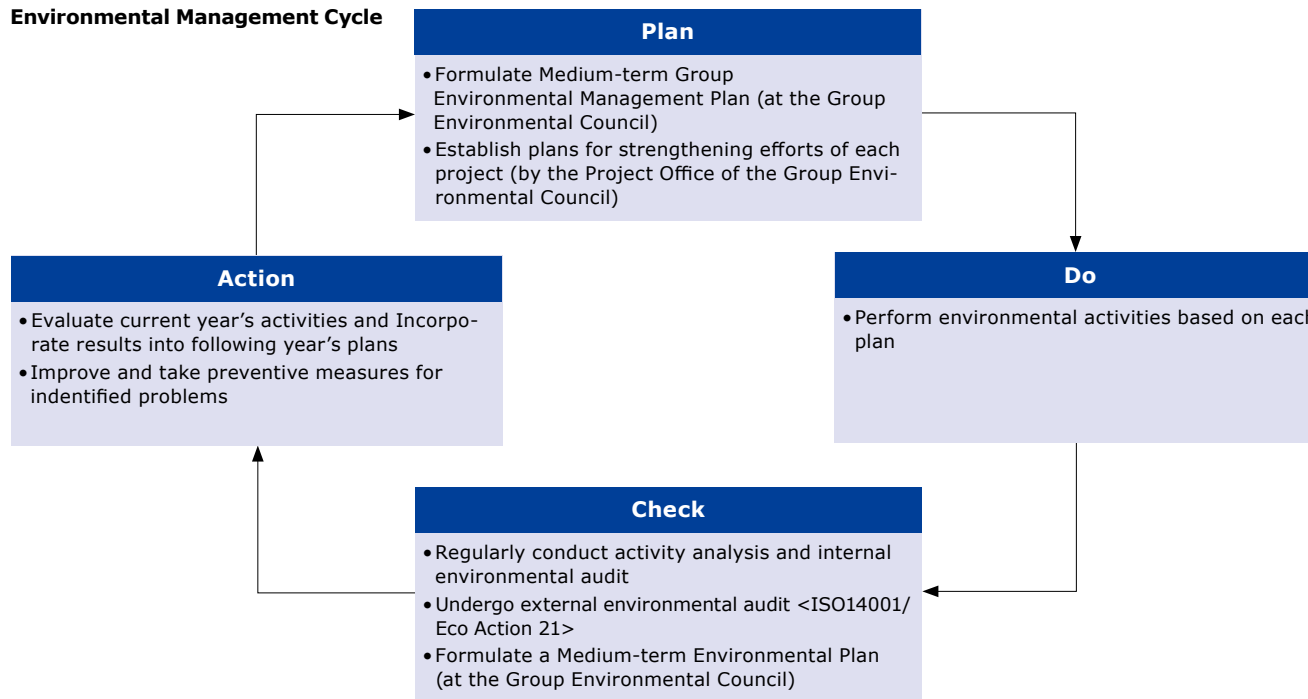
Environmental Management System



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 programs 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 each of the Asahi Group and company's groups 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 factories. Using our environmental education tools, we try to instill environmental awareness in our staff members.

Furthermore, the major group companies in Japan 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 Environment.



A seminar for ISO 14001 internal inspectors of the Group, held in 2020
*Held online In 2021.

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	Lecture, case studies, certification exams	Waste management staff for the Group companies in Japan	November 2017	Approx. 100	Five hours
				November 2018	Approx. 100	Five hours
				December 2020	Approx. 155 *Held online	Five hours
				December 2021	Approx. 100 *Held online	Five hours
Training of ISO 14001 internal inspectors of the Group	ISO 14001 environmental management	Lectures, workshops and examinations	ISO 14001 implementation representatives of the Group companies in Japan	March 2019 (four times)	Approx. 100	30 hours in total
				February 2020 (two times), October, November (eight times)	Approx. 200 *Partly held online	70 hours in total
				May 2021 (four times), October, November (two times) *Held online	Approx. 150	42 hours in total
Asahi Breweries' environmental education	Environmental issues overall	e-learning	All employees of Asahi Breweries	June 2020, October 2020	Approx. 4,500 participants per month Rate of participation June: 93% October: 94%	Approx. 15 minutes/person
Asahi Soft Drinks Group's environmental education	Environmental issues overall and activities of the Asahi Soft Drinks Group	e-learning	All employees of the Asahi Soft Drinks Group	January 2021	Approx. 3,600 Rate of participation 99%	Approx. 15 minutes/person
Asahi Group Foods' environmental education	Workshop with the persons newly taking charge of compliance with ISO 14001	Lecture form	Persons in charge of compliance with ISO 14001	January, June, September, October, November 2020	6 attendees	1.5 hour/person
	Workshop with the persons newly taking charge of compliance with ISO 14001		Persons newly in charge of compliance with ISO 14001	January, February, March, September, October 2021	8 attendees	1.5 hour/person
	Workshop with the persons taking charge of compliance with ISO 14001 (Participation is not mandatory.)		Persons in charge of compliance with ISO 14001	September 2021	6 attendees	1.5 hour/person

Environmental Management

Implementation Theme	Content	Implementation format	Targeted audience	Implementation period	No. of people attended	No. of training hours
Asahi Logistics Group environmental education	(1) Environmental awareness education (general environmental issues) (2) Specialized environmental education (recognition as an ISO staff member)	(1) e-learning + Printed Materials (2) e-learning	(1) All employees of the Asahi Logistics Group (2) Asahi Logistics Group ISO 14001 environmental managers, promotion staff, and administrative staff	(1) February, March, 2021 (2) November 2021	(1) 3,027 attendees Rate of participation 100% (2) 635 attendees	(1) 30 minutes/person (2) 30 minutes/person

Compliance with Environment-Related Laws and Regulations

Each factory of the Asahi Group not only supports and complies with environmental-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 its 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 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 Government Environmental Ordinance

*Initiatives to avoid climate change ("soft law")
SBT (Science Based Targets: greenhouse gas reduction

targets based on scientific grounds)
TCFD (The FSB 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 for the Promotion of the Recycling-Oriented Society
- Act on the Promotion of Effective Utilization of Resources
- Wastes Disposal and Public Cleansing Act
- Containers and Packaging Recycling Act
- Act concerning the Promotion of Utilization of Recyclable Food Waste
- Food Loss Reduction Promotion Act
- Home Appliance Recycling Act
- 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 Counter-measures Act

- Act on Improvement of Pollution Prevention System in Specified Factories
- Act on Special Measures concerning the Conservation of the Environment of the Seto Inland Sea
- Act on Compensation etc. of 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 PM Control Act
- Building Standards Act
- Nature Conservation Act
- Fertilizer Control Act
- Act on Enhancing Motivation on Environmental Conservation and Promoting of Environmental Activity
- 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.

August 2019, the Group expanded the scope of its certification efforts to include Asahi Breweries, Ltd. and sales companies of the Asahi Soft Drinks Co., Ltd., and acquired ISO 14001 group integrated certification for its main Group companies in Japan. By integrating ISO 14001 certifications for the Group, we keep trying 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 2021. 81% of these offices have received ISO 14001 certification at a manufacturing base under management on a global level.

Bases in Japan

Asahi Group Holdings, Ltd.

Business unit	Type	Granted
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., 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.; and Asahi Group Foods, Ltd. Nippon Freeze Drying Co., Ltd.; Wako Food Industry Co., Ltd.)	ISO 14001	August 2018

*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.

*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., Asahi Orion Inryo Co., Ltd.

*August 2021: Expanded integrated certification to include Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., 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 2021

Related Information

☑ISO 14001 Certificate of Approval (Japanese only)

Asahi Biocycle Co., Ltd.

Business unit	Type	Granted
Head Office, Moriya Laboratory, Gunma Plant	ISO 14001	April 2020

Related Information

☑ISO 14001 Certificate of Approval (Japanese only)

The Nikka Whisky Distilling Co., Ltd.

Business unit	Type	Granted
General certification (Head Office and 8 distilleries)	ISO 14001	September 2014

*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	December 2006

*Manufacturing bases in Japan: 33 factories
Environmental Management Systems-certified manufacturing bases: 33 factories (as of the end of 2021)

*EMS certification obtained for 100% of manufacturing bases in Japan.

Environmental Management

Overseas Bases

Asahi Europe & International Ltd.

Business unit	Type	Granted
Plzeňský Prazdroj (Czech Republic)		
Plzen	ISO 14001	2002
Nosovice	ISO 14001	1999
Velke Popovice	ISO 14001	2003
Plzeňský Prazdroj Slovensko, a.s. (Slovakia)		
Saris	ISO 14001	March 2010
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	2001
Bialystok	ISO 14001	2005
Tychy	ISO 14001	2003

Asahi Holdings (Australia) Pty Ltd.

Business unit	Type	Granted
Tullamarine	ISO 14001	December 2009
Huntingwood	ISO 14001	December 2005
Ipswich	ISO 14001	January 2006
Goodna*	ISO 14001	September 2018
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

*Goodna was closed down in May 2022.

Asahi Holdings Southeast Asia Sdn. Bhd.

Business unit	Type	Granted
Bangi	ISO 14001	August 2015
Meru	ISO 14001	February 2020

*Overseas manufacturing bases: 37 factories
Environmental Management Systems-certified manufacturing bases: 26
factories (as of the end of 2021)

*EMS certification obtained for 70% of manufacturing bases overseas.

Green Bond

Asahi Group Holdings, Ltd. issued Green Bonds (Unsecured Corporate Bonds No. 14) within the Japanese domestic market in October 2020.

Asahi 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 the Group-owned forest, "Asahi Forest."

The Asahi Group engages in business operations that utilize "the blessings of nature", including water and agricultural material. In order to pass on the blessings of nature to the next generation by actively promoting efforts to address a wide range of environmental issues, Asahi formulated Asahi Group Environmental Vision 2050 in 2019. In this vision, Asahi upholds targets of reducing CO₂ emissions to zero by 2050 in order to respond to climate change, and realizing 100% utilization of sustainable resources for agricultural material, containers and packaging, and water. With the proceeds from the green bond, Asahi is going to further accelerate its efforts to work towards the realization of a sustainable society together with the growth of its business operations.

Summary of Green Bonds

Issuer	Asahi Group Holdings, Ltd.
Maturity	5 years
Issue amount	JPY 10.0 billion
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 the Group-owned forest, "Asahi Forest" etc.
Lead managers	Nomura Securities Co., Ltd., Daiwa Securities Co. Ltd., SMBC Nikko Securities Inc. and Mizuho Securities Co., Ltd.
Green bond 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

Investment Announcements for Asahi Group Green Bond

- 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 bond, 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 International Capital Market Association (ICMA) and 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 toward using sustainable containers and packaging Procurement of recycled PET, procurement of biomass plastic</p> <p>(3) Initiatives toward promoting sustainable water resources Forest conservation activities at the Company forest "Asahi Forest"</p>
Process for 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 the Finance of Asahi Group Holdings, Ltd. under a special Green Bond bank account. The 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

Green Bond

Reporting

Report on Allocation

Approximately 6,247 million yen was allocated to expenditures in eligible projects in 2021.

Breakdown

Purchase of renewable energy: 690 million yen

Introduction of heat-pump vending machines: 901 million yen

Procurement of recycled PET, procurement of biomass plastic: 3,798 million yen

Etc.

Impact Report

1. Status of initiatives toward achieving Asahi Carbon Zero

Amount of renewable energy electricity purchased	79 GWh
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Amount of CO ₂ emissions reduced	8,643 t
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2. Status of initiatives toward using sustainable containers and packaging

Amount of eco-friendly materials used, such as recycled PET and biomass plastic	25,157 t
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3. Status of initiatives toward promoting sustainable water resources

Overview of Asahi Forest

In 2021, a total landmass of 2,467 ha was managed under Asahi Forest, and the groundwater recharge amount was 11.01 million m³. As a result, Asahi Breweries, Ltd. achieved its goal of being water neutral.

*Certain items were revised based on the most recently available environmental data to ensure appropriate reporting.

Respond to Climate Change

Approach

Global warming has caused abnormal weather conditions all over the world, greatly damaging lives and properties. Phenomena include unprecedented changes to the climate, drought caused by heat wave, and flooding caused by typhoons and torrential rain. Climate change is an important environmental issue for the Asahi Group, which operates businesses using gifts from nature.

Based on the Paris Agreement and the United Nations Sustainable Development Goals (SDGs), the Asahi Group has adopted Asahi Carbon Zero, a target for reducing CO₂ emissions to zero by the end of 2050. We are proactively advancing a number of different activities for achieving the target.

In 2019, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and, through scenario analysis, prepare business strategies that consider climate change.

By continuously taking action against climate change, the Asahi Group will stay committed to the aim of achieving a zero environmental impact (“Neutral”) in its business activities so that the valuable blessings of nature can be passed on to future generations.

Management System

- Environmental Management System

Goals

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 Scopes 1, 2 and 3 by 2050, and reduce emissions by 70% for Scopes 1, 2 and by 30% for Scope 3 by 2030. In addition, we have set an interim target of 40% reduction by 2025 in Scopes 1 and 2.

In order to achieve its targets, the Asahi Group will implement a variety of measures for saving energy and preserving the environment, including the proactive use of renewable energy, the recovery and use of waste heat, such as steam from the manufacturing processes, the application of cold energy, including energy gained through the normal-temperature replenishment of rows of cans, the introduction of cogeneration facilities, fuel conversion and activities that practically apply the ISO 14001 standard in all of its business establishments.

Asahi Carbon Zero has obtained certification from the Science Based Targets (SBT) initiative for the 1.5°C target for the Scope 1 and 2 target by 2030. SBT initiative is a global initiative that validates if company-set goals for CO₂ reduction are in line with scientific evidence.

In October 2020, we became the first corporate group in the beverage industry in Japan to join RE100. We aim to use renewable electricity in all our operations by 2050 and will further accelerate the introduction of renewable energy in the future.



Asahi Carbon Zero

Target		Scope
2050	Scope 1, 2, 3	Zero CO ₂ emissions Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe & International Ltd, Asahi Holdings (Australia) Pty Ltd., Asahi Holdings Southeast Asia Sdn. Bhd.
2030	Scope 1, 2	70% CO ₂ reduction (compared with 2019) Asahi Group Japan, Ltd., Asahi Europe & International Ltd, Asahi Holdings (Australia) Pty Ltd., Asahi Holdings Southeast Asia Sdn. Bhd.
	Scope 3	30% CO ₂ reduction (compared with 2019) Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe & International Ltd, Asahi Holdings (Australia) Pty Ltd., Asahi Holdings Southeast Asia Sdn. Bhd.

Asahi Carbon Zero CO₂ Emissions

Unit: kilotons-CO₂

	2019 (Base Year)	2020	2021
Scope 1, 2	975	911	800
Scope 3*	6,713	6,427	6,330

*As of April, 2023, Scope 3 emissions from Asahi Holdings Southeast Asia Sdn. Bhd. have not been accounted for due to data review and updates being underway.

- Environmental Policies

KPI

- KPI

Related SDGs



Related Information

- Performance (Respond to Climate Change)
- Activities (Respond to Climate Change)
- Realize Sustainable Supply Chains
- Respond to TCFD Recommendations
- CDP Climate Change Questionnaire 2022 (Japanese Only)

Respond to Climate Change ▶ **Performance**

CO₂ Emissions

The Asahi Group's Scope 1, 2, and 3 CO₂ emissions for 2021 were calculated by the Group's operating companies in Japan, Europe, Oceania and Southeast Asia. CO₂ emissions were reduced by 18% 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 & International Ltd. and Asahi Holdings (Australia) Pty Ltd. since 2020 and Asahi Holdings Southeast Asia Sdn. Bhd. since 2021. Progress on the SBT target dropped by 3%*¹ in comparison with 2019.

*This figure does not reflect CO₂ emissions avoided by Tradable Green Certificates (TGC).

*¹ As of April, 2023, this Scope 3 reduction calculation has not accounted for Asahi Holdings Southeast Asia Sdn. Bhd. due to data review and updates being underway.

CO₂ Emissions and Basic Units

Item	2017	2018	2019	2020	2021
Scope 1	361	463	492	463	494
Scope 2	259	419	429	367	306
Scope 1+2	619	881	921	830	800
Scope 3* ¹	2,912	2,899	3,084	5,497	6,933
Scope 1+2 basic units (kg-CO ₂ /million yen)* ²	297	416	441	409	358
Scope 3 basic units (kg-CO ₂ e/kl)* ³	81	75	78	72	65
Scope 3 basic units (kg-CO ₂ /million yen)	1,397	1,367	1,476	2,711	3,100
Sales (billion yen)	2,085	2,120	2,089	2,028	2,236

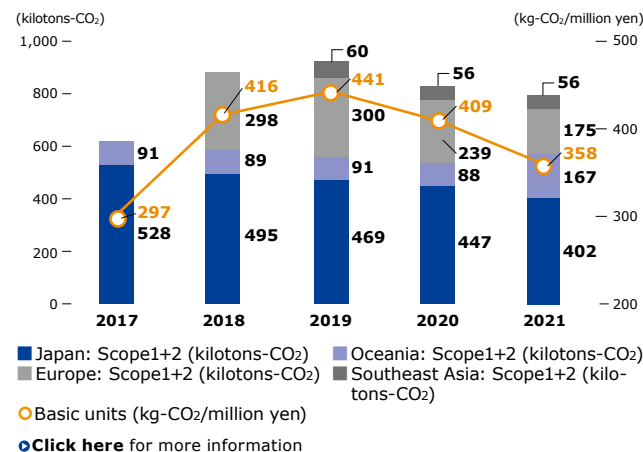
*¹ Scope of aggregation :Only Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., up to 2019, then Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe & International Ltd, Asahi Holdings (Australia) Pty Ltd., as of 2020. In 2021, the scope was expanded to include Asahi Holdings Southeast Asia Sdn. Bhd. (Click here for more information)

*² CO₂ emission basic unit of production per unit revenue

*³ CO₂ emission basic unit of production per kl produced.

*With the introduction of the Green Power CO₂ Reduction Certification System by the Japanese government in 2014, CO₂ emissions avoided by Tradable Green Certificates (TGC) can be used in calculations, reporting and announcements of greenhouse gas emissions as stipulated in the Act on Promotion of Global Warming Countermeasures. From the 2014 results, we can also indicate CO₂ emissions reflecting the CO₂ emissions avoided by TGC. Note that the figures in this table only include the CO₂ emissions contributed by green energy.

Changes in CO₂ Emissions and Basic Units



CO₂ Emissions by Country

Country	Scope	2017	2018	2019	2020	2021
Japan	Scope 1	338	329	325	304	299
	Scope 2	190	165	144	144	103
	Scope 1+2	528	495	469	447	402
	CO ₂ emissions contributed by green energy	12	11	10	14	15
	Total of Scope 1+2	516	484	459	433	387
Australia	Scope 1	18	18	19	18	49
	Scope 2	68	66	65	64	113
New Zealand	Scope 1+2	85	83	85	83	162
	Scope 1	5	5	5	5	4
U.K.	Scope 2	1	1	1	1	1
	Scope 1+2	6	6	6	5	5
Italy	Scope 1	-	1	1	2	3
	Scope 2	-	1	1	1	1
The Netherlands	Scope 1+2	-	2	1	3	4
	Scope 1	-	20	27	15	18
Czech Republic	Scope 2	-	15	10	8	2
	Scope 1+2	-	36	37	23	20
Slovakia	Scope 1	-	8	8	7	7
	Scope 2	-	11	8	0	0
Slovenia	Scope 1+2	-	18	16	7	7
	Scope 1	-	20	20	21	21
Slovakia	Scope 2	-	72	61	59	46
	Scope 1+2	-	92	82	79	67
Slovakia	Scope 1	-	5	6	6	6
	Scope 2	-	1	1	2	1
Slovakia	Scope 1+2	-	7	7	8	7

Respond to Climate Change ▶ Performance

Unit: kilotons-CO₂

Country	Scope	2017	2018	2019	2020	2021
Romania	Scope 1	-	19	19	18	19
	Scope 2	-	18	15	14	7
	Scope 1+2	-	36	34	33	26
Hungary	Scope 1	-	7	6	6	7
	Scope 2	-	6	6	5	4
	Scope 1+2	-	13	12	11	11
Poland	Scope 1	-	30	30	30	30
	Scope 2	-	64	81	45	4
	Scope 1+2	-	94	111	75	34
Malaysia	Scope 1	-	-	20	28	28
	Scope 2	-	-	29	19	21
	Scope 1+2	-	-	48	47	49
Indonesia	Scope 1	-	-	4	4	4
	Scope 2	-	-	4	3	3
	Scope 1+2	-	-	8	7	7
Total	Scope 1	361	463	492	463	494
	Scope 2	259	419	429	367	306
	Scope 1+2	619	881	921	830	800

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

Breakdown of Scope 3

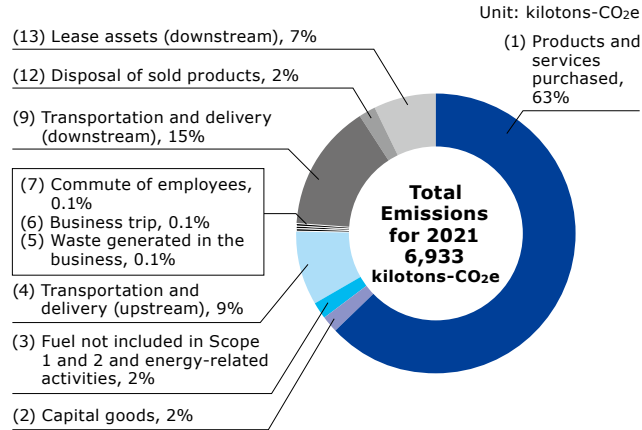
Unit: kilotons-CO₂

Category	2017	2018	2019	2020	2021
(1) Products and services purchased	1,821	1,862	2,019	3,424	4,389
(2) Capital goods	141	98	109	78	108
(3) Fuel not included in Scope 1 and 2 and energy-related activities	60	60	71	132	160
(4) Transportation and delivery (upstream)	370	386	391	487	608
(5) Waste generated in the business	4	4	4	7	10
(6) Business trip	1	1	1	5	4
(7) Commute of employees	3	3	4	16	8
(8) Lease assets (upstream)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(9) Transportation and delivery (downstream)	137	138	144	351	1,033
(10) Processing of sold products	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
(11) Use of sold products	325	296	289	904	Not applicable
(12) Disposal of sold products	50	52	50	93	122
(13) Lease assets (downstream)	Not applicable	Not applicable	Not applicable	Not applicable	491
(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	2,912	2,899	3,084	5,497	6,933

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

Respond to Climate Change ▶ Performance

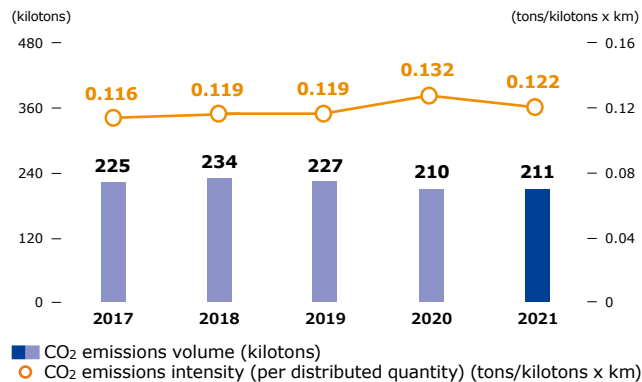
2021 Scope 3 Greenhouse Gas Emissions



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

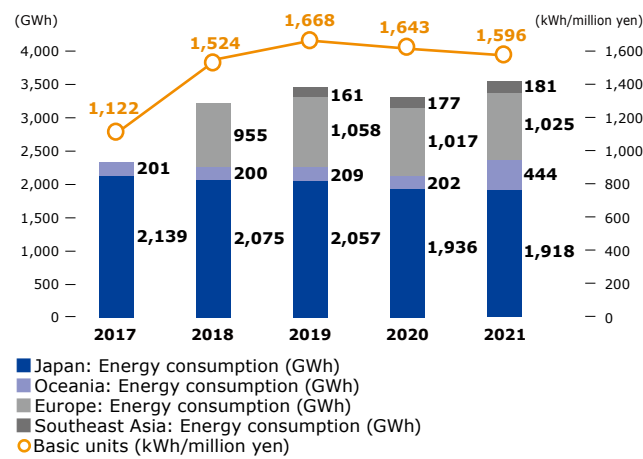
Changes in the Volume of CO₂ Emissions During Transportation

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



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

Changes in Energy Consumption and Basic Units



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

Energy Consumption and Basic Units

Unit: GWh

Country	2017	2018	2019	2020	2021
Japan	2,139	2,075	2,057	1,936	1,918
Australia	167	165	174	170	415
New Zealand	34	35	35	31	29
U.K.	-	6	6	14	17
Italy	-	88	181	144	146
The Netherlands	-	31	67	64	63
Czech Republic	-	310	307	305	302
Slovakia	-	37	36	39	38
Romania	-	154	153	153	154
Hungary	-	57	51	46	50
Poland	-	272	257	252	256
Malaysia	-	-	126	153	159
Indonesia	-	-	23	21	21
Energy Basic Units (kWh/million yen)	1,122	1,524	1,668	1,643	1,596
Total	2,340	3,231	3,484	3,332	3,568

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

Renewable Electricity Consumption

	2020	2021
Total Renewable Electricity Consumption (GWh)	113	305
Percentage of Renewable Electricity Consumption	12%	30%

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

Third-Party Verification

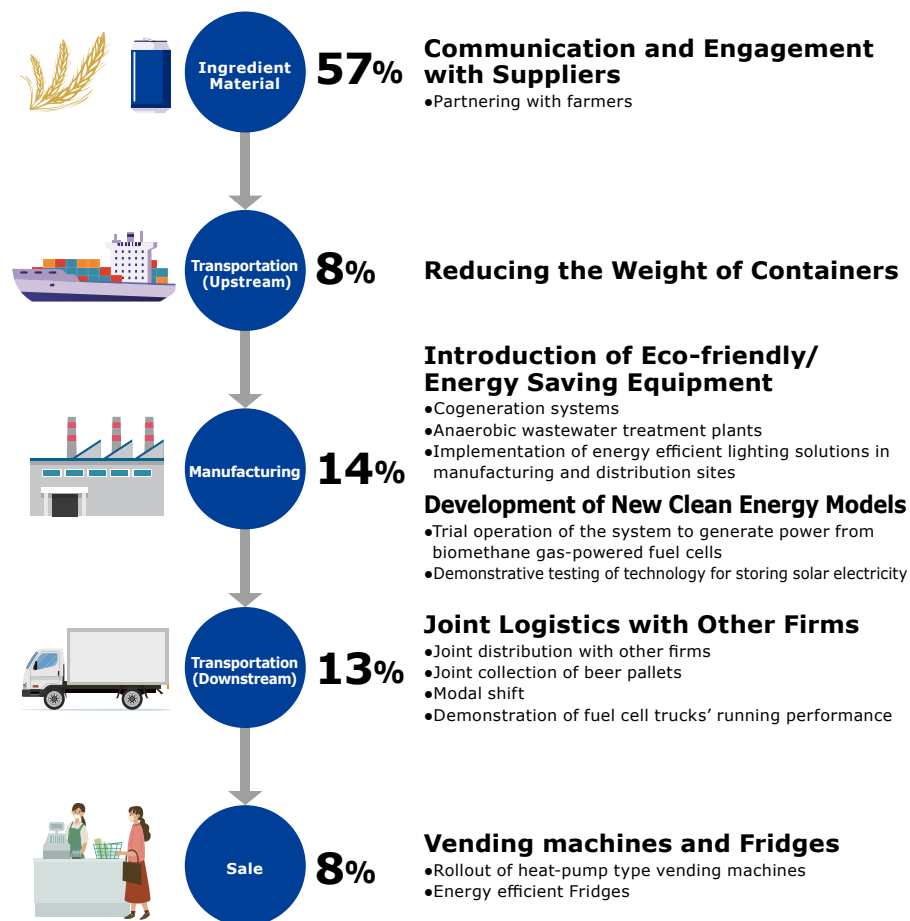
[Third-Party Validation of CO₂ Emissions \(2014 to 2021\)](#)

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 in the Value Chain



Development of Environmentally Friendly Containers

Continued Pursuit of Reduction of CO₂ Emissions

- Demonstrative testing of experimental CO₂ separation and recovery equipment

Utilization of Green Power

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

Using Renewable Energy Overseas

Activities

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.

Asahi Europe & International Ltd. plans to become carbon neutral in their breweries by 2030 and are engaging suppliers and partners to reduce carbon emissions of our products across the whole supply chain by 30% compared with 2019.

In order to understand its scale, the Asahi Group sets up carbon measurements and life-cycle assessments. Based on these, we will initiate partnerships and actively cooperate with our suppliers and customers to accelerate the reduction of emissions, especially in the area of packaging, transport and cooling of beer on sale.

Related Information

- Supplier CSR Questionnaire
- Partnering with farmers

Development of Environmentally Friendly Containers

The Asahi Group is committed to the development of environmentally friendly containers.

Related Information

- Activities (Sustainable Packaging)

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)

Respond to Climate Change ▶ Activities

Introduction of Eco-friendly/ Energy Saving Equipment

Factories of the Asahi Group engage in many different activities for reducing 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 carbon-neutral fuel (biogas) and contributes to the Asahi Group's reduction of CO₂ emissions by being used to power boilers.

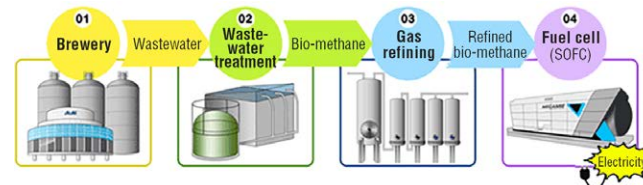
Implementation of Energy Efficient Lighting Solutions in Manufacturing and Distribution Sites

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 roof-top solar PV system. More recently upgrades have been completed at our Laverton, Tullamarine and Albury sites replacing more than 1,200 high-bay lights, reducing carbon emissions by 2,600 tonnes. Additionally, Asahi Europe & International Ltd. is building 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. The warehouse plans to achieve energy neutrality in the long term through installation of solar panels on the roof of the warehouse.

Development of New Clean Energy Models Trial Operation of the 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.

The 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. After 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 the Ibaraki Brewery of Asahi Breweries, Ltd. Test operation of the facilities started in 2020 and resulted in successful power generation from biomethane gas-powered fuel cells. The facilities have been continuously operated since Fall 2021.



System to Generate Power from Biomethane Gas-powered Fuel Cells

Demonstration Testing of the Technology for Storing Solar Electricity

The Asahi Group has begun verifying 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 has been underway at the Ibaraki Brewery of Asahi Breweries, Ltd. since 2019 with the aim of introducing the power storage technology to make solar electricity available for use at factories during nighttime. The electricity generated here is used in the adjacent "Super Dry Museum."



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



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

Respond to Climate Change ▶ Activities

Continued Pursuit of Reduction of CO₂ Emissions

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 10,000 hours of continuous operation to investigate performance and cost-effectiveness in recovering CO₂ from boiler exhaust gases and assess the possibility of deploying them at its plants.

In the future, the Asahi Group plans to make use of the recovered CO₂ in alcoholic 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 our 10,000-hour continuous operation of the CO₂ Separation and Recovery Test Equipment installed at the Asahi Group Research & Development Center, the Asahi Group installed methanation equipment at an

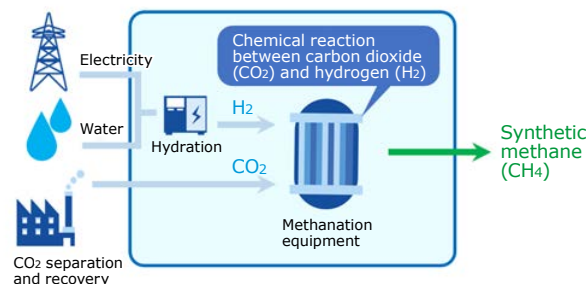
adjacent site and commenced a demonstrative test in Fall 2021.

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

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 organisation. The aim is for the early creation of a hydrogen society through the realisation of social implementation projects, with 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 organisations 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 to be gained through joining these initiatives. We will apply them to our own operations where applicable. We increase energy efficiency and accelerate the use of renewable energy in our own activities, and deepen collaboration with non-state actors in Japan and overseas to strengthen our efforts to contribute to the realization of net zero emissions in 2050. Also, in January 2021, as a JCI member company, we endorsed the message calling on the Japanese government to raise its renewable energy share to 40-50% as part of its 2030 electricity mix included in its next Strategic Energy Plan.

Respond to Climate Change ▶ Activities

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 350ml cans, 500ml cans, 350ml cans of non-alcohol, beer-tasting Asahi Dry Zero and beer products in all gift sets across all of our breweries.

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

Asahi Super Dry products manufactured using green power, including 350ml 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 127,000 tons*. *The CO₂ emissions coefficient used is the latest, 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))

Utilization in Tradable Green Certificates

The Tradable Green Certificate system is being used to ensure that green power is used to fill the total electrical power needs of the Asahi Group Holdings headquarters and also the adjacent restaurant buildings, Annex and Flamme d’Or. The Tradable Green Certificate system works by issuing certificates to companies to purchase the “environmental value” of electrical power generated from natural energy resources. Companies and organizations holding these certificates are recognized as con-

tributing to the spread of natural energy use reflecting environmental improvements commensurate with the amount of power denoted on the certificate.



Using Renewable Energy Overseas

Overseas companies of the Asahi Group are proactive about introducing renewable energy in pursuit of zero emission of CO₂.

Asahi Europe & International Ltd. set a target of making all of its factories powered solely by renewable energy by 2025, and of making all factories carbon-neutral by 2030. Seven plants in Poland, Romania, Italy, and the Netherlands have already manufacture products using 100% renewable electricity. Lech, our staple and premium brand of beer in Poland, states in its package label that it is brewed only using wind power.

Asahi Holdings (Australia) aims to switch all electricity use to renewable energy by 2025 and has signed a power purchase agreement (PPA) to purchase renewable electricity and Victoria Bitter, the company’s mainstay brand of beer, is 100% brewed with the use of solar electricity.

In 2020, Asahi Holdings Southeast Asia signed a contract with Ethica Beverages Sdn. Bhd. in Malaysia to purchase on-site power generation (on-site PPA). It also completed the installation of a solar power generation system on the roof of the factories in March 2022. This activity is expected to reduce CO₂ emissions by approximately 1,700 tons. The use of on-site PPAs is also being

considered for Etika Dairies Sdn. Bhd Malaysia, Etika Dairies Sdn. Bhd Indonesia, and Etika Manufacturing Indonesia to further expand the introduction of renewable energy in Southeast Asia in the future.



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.

Respond to Climate Change ▶ Activities

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 Logi Ltd. which is a logistics company of the Asahi Group, among other companies.

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 has entered into a joint distribution arrangement with other beer suppliers within a limited region.

Since September 2017, Asahi Breweries has joined with Kirin, Sapporo and Suntory breweries (hereinafter, “the four companies”) for the purpose of product deliveries in the Kushiro and Nemuto districts in the eastern part of Hokkaido prefecture. Where a truck is not fully loaded, products from the production and/or distribution facilities of the four companies are taken to a warehouse at the 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 for a modal shift in their in-company transportation between Kansai/Chugoku and Kyushu. The four companies’ dedicated trains departing from Kansai/Chugoku for Kyushu stop at the JR cargo terminals nearest the companies’ logistics hubs before being loaded with products (mainly alcohol and soft drinks) that have been gathered at 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 uses products that have been gathered at 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 four 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, and expanded to additional areas as of November 2019 to achieve nationwide coverage.

The Asahi Group estimates that the initiative will reduce carbon dioxide (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 (hereinafter “FC large trucks”) in cooperation with Seino Transportation Co., Ltd. (hereinafter “Seino Transportation”), NEXT Logistics Japan (hereinafter “NLJ”), Yamato Transport Co., Ltd. (hereinafter “Yamato Transport”), Toyota Motor Corporation (hereinafter “Toyota”) and Hino Motors, Ltd. (hereinafter “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 running of the trucks in 2022, 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 would 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.

Vending machines and Fridges Rollout of Heat-pump Vending Machines

In support of Japan Soft-drink Vending Machine Council’s goal to achieve 60% reduction in total electricity consumption of soft drink vending machines compared to 2005 by 2050, Asahi Soft



Respond to Climate Change ▶ Activities

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 93% of the vending machines we installed are the heat-pump type as of the end of February 2022, with approximately 250,000 units installed.

Energy efficient Fridges

Asahi Holdings (Australia) Pty Ltd. is helping our customers reduce energy and costs with improved energy efficiency of our fridge fleet. Prior to 2009 a two-door fridge consumed approximately 14kWh/day. Through improvements in fridge technology this has been reduced to approximately 4.8 kWh/day. This represents a 65% reduction in the energy requirements of customer fridges.

Respond to Climate Change ▶ Respond to TCFD Recommendations

The Reasons Why the Asahi Group Is Working to Respond to Climate Change

Global warming has caused abnormal weather conditions all over the world, greatly ruining lives and damaging 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 social issue for the Asahi Group, which operates businesses using the blessings of nature, and is a significant threat to business continuity.

To fulfill our mission of “Deliver on our great taste promise and bring more fun to life,” which we declared in the Asahi Group Philosophy (AGP), we aim to pass on a sustainable global environment to future generations, nurturing the blessings of nature.

Under Asahi Group Environmental Vision 2050, we have declared our commitment to helping to realize a sustainable society alongside the growth of our businesses. This will be accomplished by pursuing the two goals of “achieving zero environmental impact in the business activities (neutral)” by 2050 and “utilizing the Group’s proprietary technologies to create more environmental value (plus).”

With a view to realizing carbon neutrality by 2050, we formulated Asahi Carbon Zero, a medium- to long-term target for reducing CO₂ emissions, and acquired 1.5°C certification from the Science Based Targets (SBT) initiative for the Scope 1 and 2 target by 2030. Furthermore, in October 2020 we became the first company in the Japanese beverage industry to join RE100 and have since been promoting a broad range of initiatives including the utilization of renewable energy.

In addition, we aim to create even more environmental value for society (“plus”) by leveraging our proprietary technologies to help promote the transition to a low-carbon society and resolve other social issues. Through this aim, we believe we can create various business opportunities.

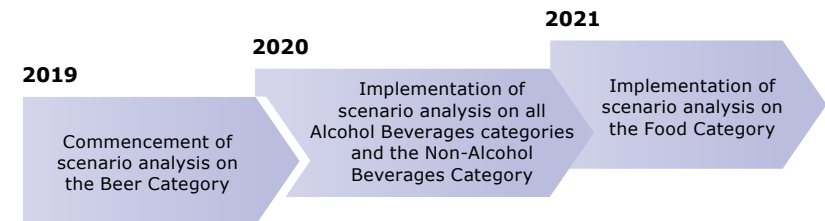
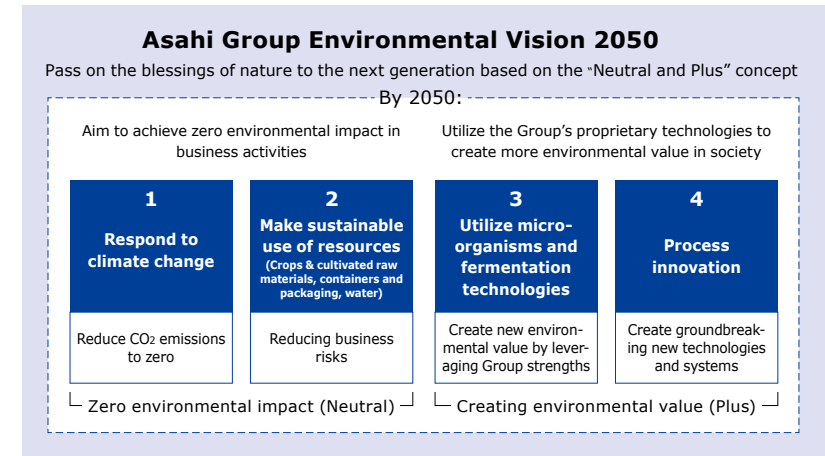
To pass on the blessings of nature to future generations based on the “neutral” and “plus” concept, we will appropriately respond to the risks and opportunities presented by climate change while comprehensively examining matters on which climate change will likely have an impact, such as raw material procurement, containers and packaging, and water resources.

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 recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We conducted a scenario analysis in the Beer Category in 2019 and expanded the scope of this analysis to the Non-Alcohol Beverages and all Alcohol Beverages categories, including the Beer Category, in 2020. In 2021, we conducted a scenario analysis for the third year in a row, this time covering all major categories, including the Food Category. By clarifying the impact of climate-related risks and opportunities on our business operations and taking measures to resolve those issues, we will make our business operations more sustainable and promote dialogue with investors to enhance social sustainability and our corporate value.

Asahi Group Environmental Vision 2050: Overview



Respond to Climate Change ▶ Respond to TCFD Recommendations

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 (hereinafter, the GS 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 indicators and targets with a view to realizing a carbon-free society in an effort to re-inforce 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 "indices and targets."

Governance

The Asahi Group has established the GS Committee to draft and supervise sustainability strategies, including

climate change. The GS Committee is chaired by the CEO of Asahi Group Holdings, Ltd., and comprises the Sustainability Director, the heads of relevant departments, and the CEOs and Sustainability Directors at each Regional Headquarters (RHQ) located in Japan, Europe, Oceania, and Southeast Asia. The strategies and targets discussed by the GS Committee are deliberated on by the Corporate Strategy Board and reported to the Board of Directors.

In 2020, the GS Committee held discussions on Asahi Carbon Zero, our target that aims to achieve net zero CO₂ emissions by 2050. Through these discussions, we decided on making a significant upward revision to Asahi Carbon Zero, raising the targeted reduction for 2030 to 50% in Scope 1 and 2 compared with 2019.

With the initiatives we implemented since making this upward revision, we greatly improved the certainty of achieving our targeted values. We also saw an increase in ambition within the Group to adopt and actively pursue

Management System



ambitious targets. In light of these circumstances, we decided to upwardly revise the targeted reduction values in Scope 1 and 2 to 70% compared with 2019 at a meeting of the Corporate Strategy Board held in 2021.

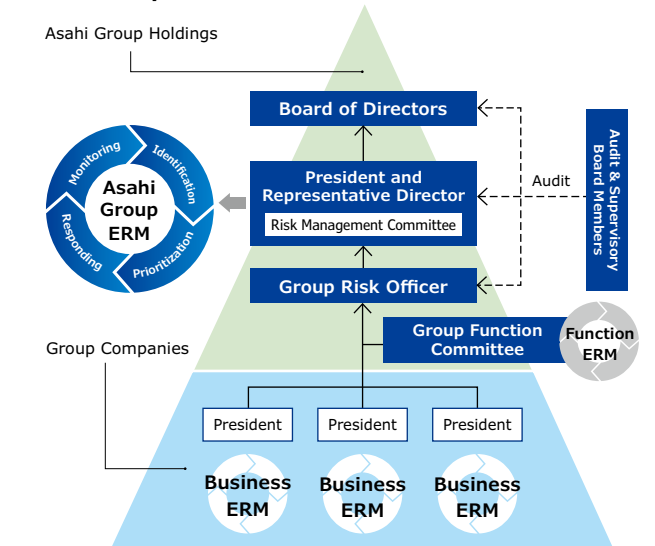
The risks, opportunities, and financial impacts of climate change identified through scenario analysis are also discussed by the Corporate Strategy Board and reported to the Board of Directors.

Risk Management

The Asahi Group has adopted climate change as a main risk for the Group within its ERM system and set a PDCA cycle in motion under this management system with the Sustainability Director as the risk owner.

At the same time, the Sustainability Section further examines climate change-related risks in more detail, implements response measures, and issues regular reports to the Board of Directors. Additionally, we are taking initiatives to address the issue of plastic, another main risk for the Group, which is widely linked to climate change.

Asahi Group ERM Structure



Respond to Climate Change ▶ Respond to 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 2021, we implemented more extensive and accurate scenario analysis aimed at expanding the scope of and enhancing our scenario analysis. We will take measures for the major risks and opportunities that have been clarified through this analysis to ensure that we steadily reduce risks and seize 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.

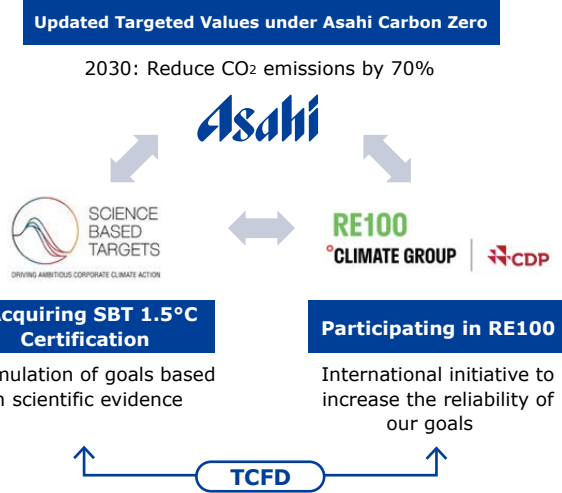
Indices and Targets

We have established Asahi Carbon Zero as a medium- to longterm 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, we have set another interim target of 40% reduction by 2025 in Scope 1 and 2.

In addition, we have acquired SBT 1.5°C certification from the SBT initiative for the Scope 1 and 2 target by 2030. 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 2050.

To increase the probability of achieving these targets,

the Sustainability Task Force manages the progress of the road map for reducing CO₂ emissions at each RHQ and shares issues, in addition to adopting key performance indicators (KPIs) at each RHQ. Furthermore, we have adopted measures and are reinforcing initiatives to realize the sustainable utilization of related agricultural raw materials, containers and packaging, water, and other materials.



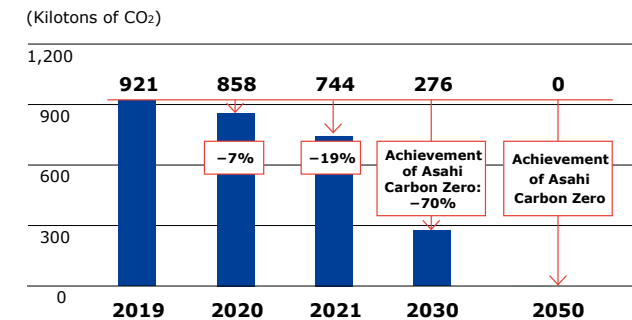
Group-wide Target Asahi Carbon Zero and Targets at Each Regional Headquarters

Asahi Carbon Zero-The Asahi Group's Medium- to Long-Term Target for Reducing CO ₂ Emissions	
Asahi Carbon Zero	
Group-wide	<p>2050 Reduce our CO₂ emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral*1</p> <p>2030 Reduce CO₂ emissions in Scope 1 and 2 by 70% (compared with 2019)*2 Reduce CO₂ emissions in Scope 3 by 30% (compared with 2019)*1</p>
Japan	<ul style="list-style-type: none"> Use renewable energy for 100% of electricity purchased at all production bases by 2025 Reduce CO₂ emissions every year by 1% or more over the previous year
Europe	<ul style="list-style-type: none"> Reduce CO₂ emissions in Scope 1 and 2 to zero by introducing renewable energy at plants, thereby becoming carbon neutral by 2030 Shift to 100% renewable energy for the electricity used at plants by 2025
Oceania	<ul style="list-style-type: none"> Reduce CO₂ emissions in Scope 1 and 2 by 50% by 2025 (compared with 2019) Shift to 100% renewable energy for the electricity used in Australia and New Zealand by 2025
Southeast Asia	<ul style="list-style-type: none"> Reduce CO₂ emissions in Scope 1 and 2 by 20% by 2030 (compared with 2019)

*1 Applicable companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe and International Ltd., and Asahi Holdings (Australia) Pty Ltd.

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

Scope 1 and 2 CO₂ Emissions (Compared with 2019)



Note: Covers Japan, Europe, and Oceania

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History of Scenario Analysis

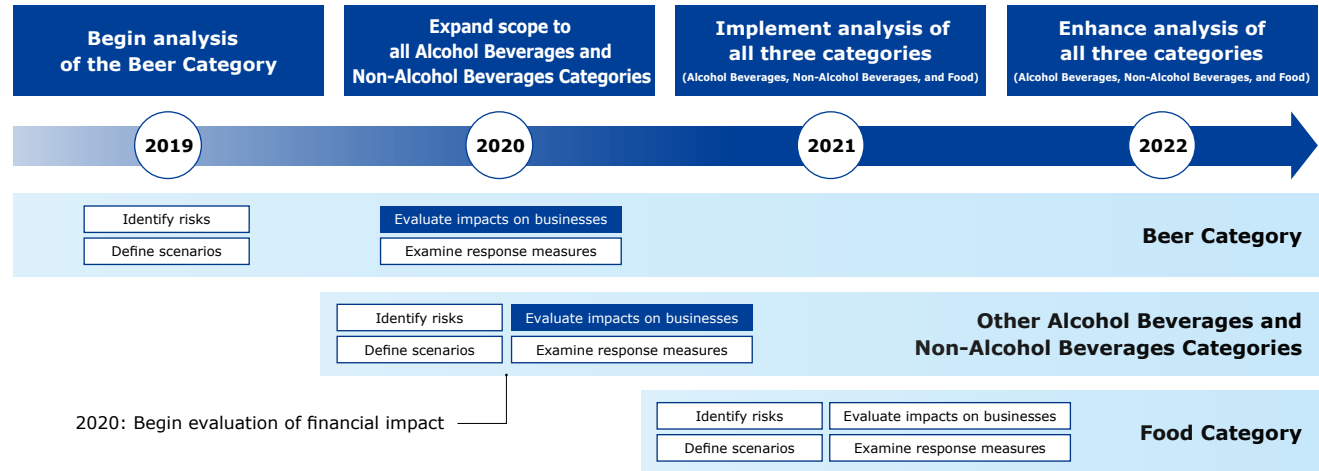
The Asahi Group has mainly been operating in the Alcohol Beverages Category, Non-Alcohol Beverages Category, and Food Category. Scenario analysis began with analysis of the Beer Category, which has the most impact, and we have gradually expanded, refined, and enhanced the scope of analysis.

In 2021, the third year of analysis, we added the Food Category to the scope of the 2019 and 2020 analysis, becoming the first time we analyzed all the categories. From 2022 onward, we will continue to refine and enhance the analysis of all three categories.

2019 Scenario Analysis

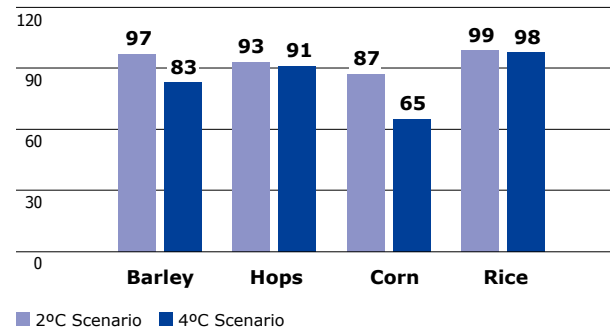
The scenario analysis in 2019 examined the Beer Category. Climate change clearly had a major impact, such as reduced yields of agricultural products that are important for our businesses, a rise in production costs due to the introduction of a carbon tax, and the exacerbation of risks of water stress and flooding in agricultural producing areas and at production sites.

In particular, we analyzed the environmental impact of the main agricultural raw materials used in the Beer Category (barley, hops, corn, and rice) and have come to understand that there is a risk that yields will decrease due to climate change. We have also estimated the financial impact of the introduction of the carbon tax on the Asahi Group. As we discuss measures against these impacts, we are beginning to see the possibility that we can seize opportunities by reinforcing mitigation and adaptation measures.



Increase in Raw Material Costs Due to Decrease in Yield of Agricultural Raw Materials

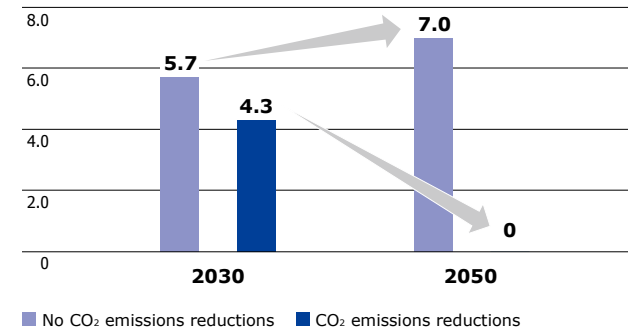
Impact on yield under the 2°C Scenario and the 4°C Scenario (Estimated figures for 2050, with the 2018 supply amount as 100)



Barley and corn show a large decrease in yield under the 4°C Scenario compared with the 2°C Scenario

Impact on Production Costs (Scope 1 and 2) Due to Introduction of the Carbon Tax

Impact amount of the carbon tax under the 2°C Scenario (¥ billion)



Reduction of carbon tax if Asahi Carbon Zero is implemented
 ➔ 2030: ¥1.4 billion; 2050: ¥7.0 billion

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2020 Scenario Analysis

In 2020, we expanded the scope of analysis to the Non-Alcohol Beverages Category and all Alcohol Beverages categories, including the Beer Category.

The scope of analysis was expanded to include coffee, milk, and sugar as primary raw materials in the Non-Alcohol Beverages Category (e.g., carbonated beverages, dairy beverages, coffee-based beverages) and the Non-Beer Alcoholic Beverages Category (e.g., Western liquors, shochu). To predict yields in 2050, the Asahi Group analyzed numerous books on the impact of climate change on farm produce and experimentally calculated impacts by agricultural product type and production area to carefully identify changes in harvest yields. It was learned that the 4°C Scenario would significantly reduce harvest yields in many production areas, particularly of corn and coffee.

Furthermore, we estimated the future prices of corn and coffee, which are high-risk agricultural materials used in the Non-Alcohol Beverages Category, to experimentally calculate their financial impact on the position of the Group. We experimentally calculated the financial impact of climate change based on the amount of raw materials purchased for the current Non-Alcohol Beverages Category. This revealed a potential 1.97 billion yen increase in the cost of corn, and a potential 2.66 billion yen increase in the cost of coffee.

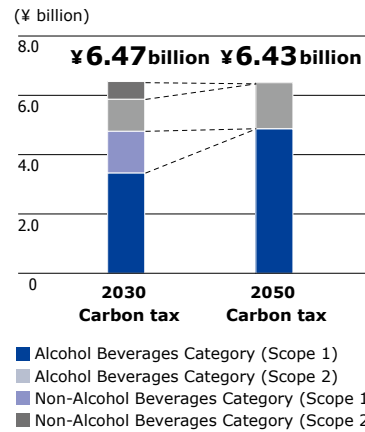
Additionally, we calculated the impact of the introduction of a carbon tax on our production operations for 2030 and 2050. Assuming the carbon tax would be 100 dollars/ton in 2030 and 144 dollars/ton in 2050, the carbon tax liability of the Alcohol Beverages and Non-Alcohol Beverages categories combined would be 6.47 billion yen in 2030 and 6.43 billion yen in 2050. The increasing use of renewable energy leads the Asahi Group to expect that the goal of zero CO₂ emissions from electric power will be achieved by 2050. However, the total carbon tax liability will be nearly unchanged due to the increase in the carbon tax.

It has been estimated that PET bottles will be impacted by the carbon tax to a greater extent than other materials in the Non-Alcohol Beverages Category's supply chain. The Asahi Group experimentally calculated the financial impact of the introduction of a carbon tax on the PET bottles that it uses. Assuming that the impact of a carbon tax on the processes

involving the extraction of raw materials to the manufacturing of PET resin is included entirely in the purchase price, the cost increase would be 6.23 billion yen according to the experimental calculation.

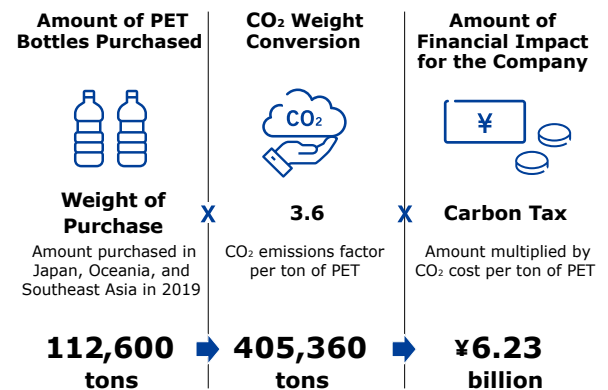
We are identifying and engaging in response measures for the results of each of the above estimations.

Impact on Production Costs



Calculating the monetary impact of CO₂ emissions on production phases

Impact of Fluctuating PET Bottle Prices



Increase in costs due to decreased yields of main agricultural raw materials

Corn	¥1.97 billion
Coffee	¥2.66 billion

(In 2050, under the 4°C Scenario)

- Cooperate with suppliers in response to climate change
- Support local farmers in response to climate change

Increase in production costs (Scope 1 and 2) due to the introduction of carbon tax

2030	¥6.47 billion
2050	¥6.43 billion

- Reduce amount of CO₂ emissions
- Utilize in-house technology through co-creation with stakeholders

Increase in cost of PET bottles when the cost of carbon tax is transferred

¥6.23 billion

(In 2050)

- Switch to recycled PET bottles
- Reduce the weight of PET bottles

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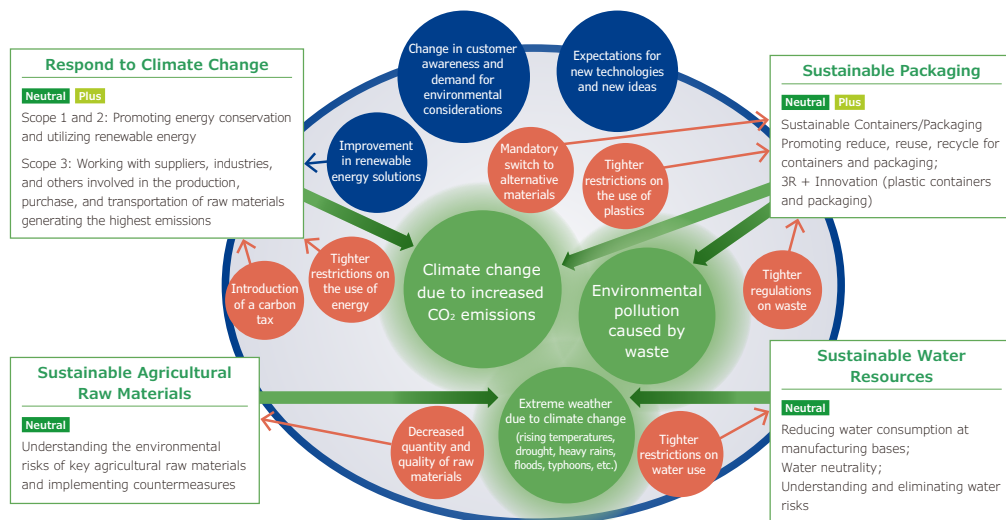
Applying Scenario Analysis to the Strategies

From global common social issues, the Asahi Group has identified risks and opportunities related to its business activities and has established the following four themes to direct its response efforts: "Respond to climate change," "Sustainable packaging," "Sustainable agricultural raw materials," and "Sustainable water resources." We have engaged in comprehensively discussing the major issue of climate change from the perspective of each of these themes.

As a result of endorsing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2019, we have reevaluated the risks and opportunities of climate change, set out specific scenarios, and visualized the quantitative impact on the entire business. As a result, we reconfirmed the Asahi Group's resilience to climate change and have been able to share the need for further response measures with the entire Group.

Since then, we have implemented scenario analysis on a yearly basis to renew a shared awareness of the risks and opportunities of climate change, continued to promote existing strategies, and further expanded and enhanced strategies for climate change issues based on the results of scenario analysis.

The Asahi Group has established KPIs for each theme and is



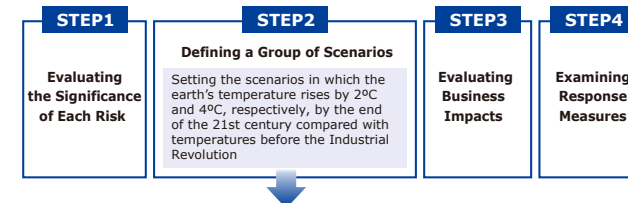
closely monitoring the progress of efforts to address these themes. Specifically, the Sustainability Task Force carries out the formulation of Group-wide targets, applying them to the targets of each RHQ and closely monitoring the progress of their road map.

The results of the scenario analysis are shared within the Environment Task Force, which handles environmental themes, and we discuss in detail the realization of response measures for these themes within the Environment Task Force.

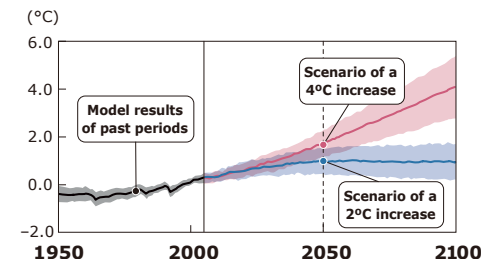
For example, the results of the 2020 scenario analysis were shared with each RHQ within the Environment Task Force to discuss response measures and meticulously monitor progress. Additionally, the results of the 2020 scenario analysis were reported to the Board of Directors. As a result, we confirmed the increased probability of achieving Asahi Carbon Zero and adopted ambitious targets that increase the momentum within the Group to actively engage its achievement, leading to the upward revision of its interim targets.

In this way, we can create specific response measures by visualizing the realistic quantitative impact for the future in 2030 and 2050 through scenario analysis.

Scenario Analysis Steps



RCP Scenarios Adopted by the IPCC



Source: Created by the Asahi Group based on the IPCC's Fifth Assessment Report Summary for Policymakers (Figure SPM.7)

Scenario analysis refers to 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). We have established the following two scenarios as the Asahi Group. (STEP 2)

Under 2°C Scenario
<ul style="list-style-type: none"> Global average temperature rises are kept under 2°C by the end of the 21st century Bold political measures and technological innovations are promoted to achieve sustainable development Businesses are likely to be impacted by social changes associated with the shift to a decarbonized society
4°C Scenario
<ul style="list-style-type: none"> Global average temperature rises are kept at approximately 4°C by the end of the 21st century Businesses are likely to be impacted by changes to climate, such as temperatures rises

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Scenario Analysis for 2021

We identified various climate change-related risks and opportunities such as transition risks and physical risks in 2021. Among these, the risks and opportunities shown

in the table below are particularly important to the Asahi Group. Among the important risks and opportunities identified, the increase in raw material prices due to the reduction of agricultural materials' harvest yields, the increased cost of water-related risks, and the increases

in costs due to the introduction of a carbon tax may have a particularly significant impact. The Asahi Group implemented the following business impact evaluations and derived key response measures for each.



Risk Categories		Risks	Expected Impacts
Transition	Policy and Legal	Carbon Tax	Under Asahi Group Environmental Vision 2050, we are taking steps to achieve Asahi Carbon Zero, an initiative that aims for zero 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.
		Containers and Packaging (Scope 3)	Since containers and packaging, which make up approximately 40% of Scope 3, are mainly manufactured with fossil fuels, the introduction of a carbon tax is expected to have a significant impact on procurement costs.
		Regulations on Water Use	Since water is indispensable to our raw material production and factory operation, we anticipate that the introduction of additional regulations on water use will have a significant impact on our business continuity and financial position.
	Market and Technology	Changes in Customer Behaviors	Heightened environmental awareness of consumers has the potential to become a new factor that impacts net sales.
Physical	Chronic	Rising Price of Raw Materials	If a rise in raw material prices and the resultant transition to alternative raw materials become necessary, we will incur significant financial impact and this may affect the continuity of our business operations.
		Rise in Global Average Temperature	Various costs of cooling products are expected to increase.
	Acute	Changes in Precipitation Patterns	If our agricultural land and production bases were impacted by severe water shortages, it could potentially become difficult to continue our business operations.
Intensification of Abnormal Weather		In the event that damage from heavy rains and typhoons, which are occurring more frequently in recent years, were to become more severe, our value chain may suffer significant harm, making it difficult to continue our business operations.	

Opportunity Categories		Opportunities	Expected Impacts
Products and Services	Changes in Customer Behaviors		<ul style="list-style-type: none"> Heightened environmental awareness of consumers has the potential to become a new factor that impacts net sales. Heightened awareness of disaster prevention following the intensification of climate change is expected to increase demand for products suitable for stockpiling. Demand is expected to increase for products that lessen the impact of climate change on people's health.
		Changes in Product Markets	Temperature increases are expected to have a major impact on beer and beverage consumption during the summer.
Energy Sources	Utilization of New Technology	Development of technology that contributes to decarbonization has the potential to become a new factor that impacts net sales.	

Defining a Group of Scenarios (page 51)

Main Impacts of Risks		Business Impacts	Response Measures to Reduce Risks
Increased procurement costs due to reduced yields of agricultural products		Pages 53-54	<ul style="list-style-type: none"> Share information with suppliers Conduct business with operators that have acquired third-party certification
Water-Related Risks	Water-related risks in raw material production areas (drought, etc.)	Page 60	<ul style="list-style-type: none"> Directly procure raw materials from farmers Support farmers
	Halt to operations at production bases and damage to equipment due to flooding	Page 59	<ul style="list-style-type: none"> Countermeasures for heavy rain, equipment, etc. Assessment and elimination of water risks
Introduction of Carbon Tax	Impact on Production Costs (Scope 1 and 2)	Page 56	<ul style="list-style-type: none"> Reduce CO₂ emissions based on Asahi Carbon Zero Utilize in-house technology (beer by-products, etc.)
	Impact on Scope 3	Page 57	

Key Impacts of Opportunities		Business Impacts	Initiatives for Opportunities
Increase in demand for emergency supplies		Page 62	Provide goods suitable for emergency supplies and stockpile
Increase in demand for products that reduce health impacts		Page 62	Provide heatstroke prevention products
Development of technology that contributes to decarbonization		Page 62	Develop and expand sales channels for highly resilient agricultural materials

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1. Impact on Procurement Costs Due to Reduced Yields of Agricultural Products

In 2019, the Asahi Group analyzed the impact of climate change on the main agricultural materials used in the Beer Category (barley, hops, corn, and rice), and it learned that climate change created the risk of a reduction in harvest yields. In 2020, the scope of analysis was expanded to include coffee, milk and sugar as primary raw materials in the Non-Alcohol Beverages Category (e.g., carbonated beverages, dairy beverages, coffee-based beverages) and the Non-Beer Alcohol Beverages Category (e.g., Western liquors, shochu). To predict harvests in 2050, the Asahi Group analyzed multiple books on the impact of climate change on farm produce and experimentally calculated impacts by agricultural product type and production area to carefully identify changes in harvest yields. We also estimated future prices and experimentally calculated the financial impact of climate change.

In 2021, we added palm oil, cacao, and soybean to the scope of analysis. 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. Additionally, in a continuation from 2019 and 2020, we expanded the geographical areas of analysis for barley and corn, which are vital for the business continuity of the Asahi Group. We further refined the analysis of barley by estimating its future price and calculating its financial impact.

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, has decreased in some areas. As for new areas in the scope of analysis in 2021 (Hungary, the Northern and Southern regions of Italy,

and Poland), 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.

Regarding the main agricultural raw materials in the Food Category, despite a downward trend in palm oil yields, cacao is expected to increase and soybean is also expected to increase in some areas.

Additions in 2021 More than a 15% decrease compared with current yields

	Item	Country of Production	Under 2°C Scenario	4°C Scenario
Main Raw Materials of Beer Category		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	Under 2°C Scenario	4°C Scenario
Common Raw Materials of Each Category		United States	-12%	-24%
		Brazil	-3%	-9%
		Argentina	-9%	-16%
		China	0%	-10%
		Ukraine	-17%	-26%
		Germany	-2%	-4%
		Australia	-13%	-27%

	Item	Country of Production	Under 2°C Scenario	4°C Scenario
Raw Materials of Non-Alcohol Beverages and Other Alcohol Beverages Categories		Australia	+1%	+2%
		Brazil	+3%	+12%
		India	0%	-3%
		Japan	+2%	+21%
Raw milk		Thailand	-26%	-45%
		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%
Indonesia		Vietnam	-9%	-24%
		Indonesia	-10%	-30%

	Item	Country of Production	Under 2°C Scenario	4°C Scenario
Main Raw Materials of the Food Category		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%

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Future Prices Outlook and Financial Impact

The Asahi Group estimated the future prices of corn, coffee, and sugar, which are high-risk agricultural materials used in the Non-Alcohol Beverages Category, to experimentally calculate their financial impact on the position of the Group.

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. This revealed a potential 1.97 billion yen increase in the cost of corn and a potential 2.66 billion yen increase in the cost of coffee. Meanwhile, the financial impact of sugar is expected to decrease since the price has fallen due to an increase in production volume.

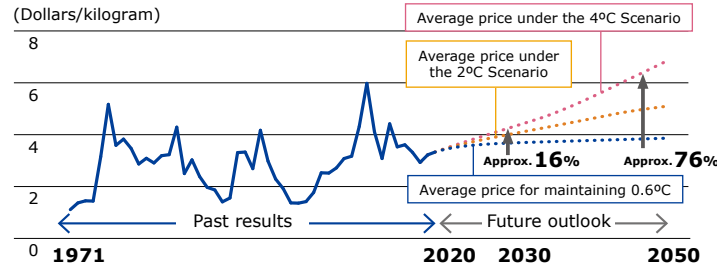
The financial impact of barley, which was added to the research, is expected to be approximately 400 million yen. Despite the price rising due to a decrease in production volume in some areas, this is minor compared to price fluctuations due to factors other than changes in production volume. The financial impact of palm oil and soybean is also expected to be minor.

Meanwhile, the prices of cacao and sugar are expected to fall due to an increase in production volume following rises in the global temperature. The procurement cost of sugar is expected to fall to approximately 2.5 billion yen in 2050.

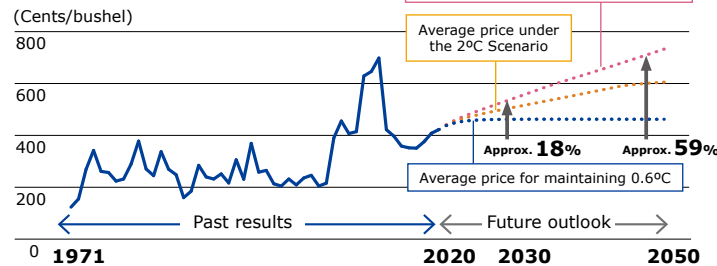
Experimental Calculations of Financial Impact in 2050

Item	4°C Scenario
Palm oil	¥20 million
Cacao	-¥60 million
Soybean	¥4 million
Barley	¥400 million
Sugar	-¥2.48 billion

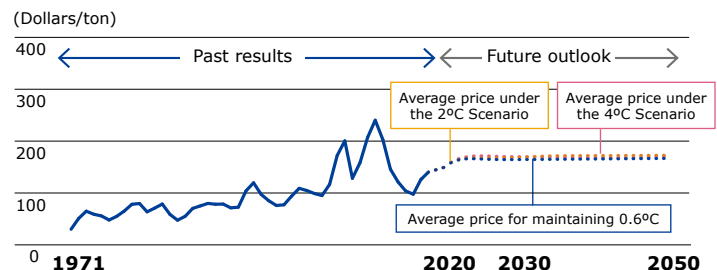
Forecast for Price of Coffee



Forecast for Price of Corn



Forecast for Price of Barley



Calculation Methods

Basis of costs calculation: 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 the 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 the proportion of ethanol raw materials (corn only) were entered into the formula to estimate future prices.

Coffee prices are expected to rise by an average of approximately 16% in 2030 and approximately 76% in 2050 under the 4°C Scenario, compared to maintaining 0.6°C.

Corn prices are expected to rise by an average of approximately 18% in 2030 and approximately 59% in 2050 under the 4°C Scenario, compared to maintaining 0.6°C.

Barley prices are expected to rise by an average of approximately 4% in 2030 and approximately 2% in 2050 under the 4°C Scenario, compared to maintaining 0.6°C.

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Response Measures

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. Below, we will introduce some of the products we are working on in each area.

Related Information

🔗 Sustainable Agricultural Raw Materials



1. Directly procure barley from farmers

Asahi Beverages Pty Ltd. purchased approximately 70,000 tons of barley directly from farmers in Victoria and Queensland. Amid wildfires, droughts, and other natural disasters caused by climate change, we are monitoring agricultural processes and investing in new technology to improve the sustainability and efficiency of barley cultivation together with farmers.

In the Northern Region of Australia, we are promoting the introduction of a soil improvement program and launching initiatives aimed at increasing yield.

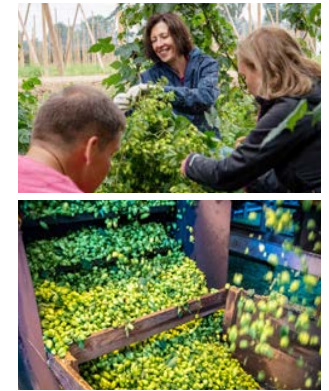


2. “FOR HOPS,” a project that supports hop farmers

In the Saaz hops growing region of the Czech Republic, we are introducing support through smart agriculture that utilizes AI technology in order to increase the resilience of hops production against climate change.

A team comprising Agritecture Consulting, TENSOAI, Hop Growers Union of the Czech Republic, hop research institutes, major producers, and Asahi Europe and International Ltd. launched the project in June 2021 with a 190,000-dollar subsidy from Microsoft’s AI for Earth program.

In order to further enhance stability and predictability of hops production in the Saaz region, we utilize real-time data at farms that use big data, past data, information from satellites, and IoT sensors, and which have identified methods of mitigating the impacts of climate change on agricultural products, such as administration of water and fertilizer and countermeasures against damage from disease and harmful insects, and which have developed smart agriculture that advises farmers through a mobile app.



3. Share information with raw material suppliers

Based on risk evaluation experimental calculations, we share information on environmental and human rights risks with raw material suppliers, which have a significant impact on the procurement of agricultural raw materials. We will continue to check local information as it becomes available, while further strengthening information sharing with raw material suppliers.

4. Conduct business with agricultural product operators that have acquired third-party certification

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.

In addition, from 2019, we have been purchasing certified credits under the Book and Claim certification method for some of the palm oil procured by the Group, and Asahi Group Foods, Ltd. plans to purchase certified credits for 50% of its total palm oil procurement in 2022.

We will continue our efforts to procure sustainable palm oil in accordance with the Asahi Group Sustainable Procurement Principles.

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2. Impact of Carbon Tax Introduction on Production Costs (Scope 1 and 2) and on Scope 3

Under 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. We therefore calculated the impact of a carbon tax on our production operations 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.

Accordingly, as carbon tax amounts are likely to increase, the estimated financial impact of a carbon tax introduction increased from the trial calculation we performed in 2020. However, 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 4.08 billion yen in 2030 and the entire cost amount of 12.23 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	Financial impact
Experimental calculation for 2021	-69.1%	\$130 <small>*\$90 in Southeast Asia</small>	¥8.02 billion	\$250 <small>*\$200 in Southeast Asia</small>	¥12.23 billion
Experimental calculation for 2020	-51%	\$100	¥6.47 billion	\$144	¥6.43 billion

Notes:

1. The impact amount is calculated from the volume of CO₂ emissions during manufacturing.
2. The Scope 2 emissions factor for electricity comes from the International Energy Agency (IEA)'s "Net Zero by 2050: A Roadmap for the Global Energy Sector (NZE)."
3. The amount of carbon tax (unit price per ton) is independently estimated and set according to the forecast figures by the IEA NZE.

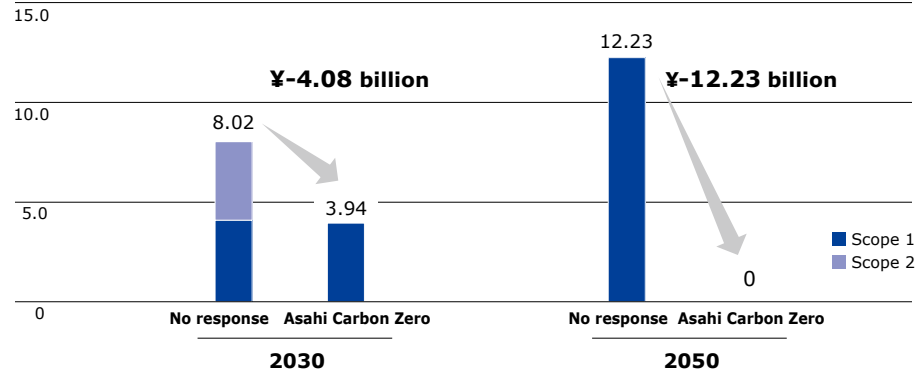
Calculation Method

In 2020, we calculated the impact of a carbon tax introduction on our production operations based on the assumption that the carbon tax would be 100 dollars/ton in 2030 and 144 dollars/ton in 2050. We also used a Scope 2 emission factor for electricity that is 51% lower than our current emission factor. The scope that this calculation covered included the Alcohol Beverages (Japan, Europe, and Oceania) and Non-Alcohol Beverages (Japan, Oceania, and Southeast Asia) categories.

Meanwhile, 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) and 250 dollars/ton (200 dollars/ton in Southeast Asia). 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.

Experimental Calculation of Total Financial Impact of Carbon Tax for 2021

(¥ billion)



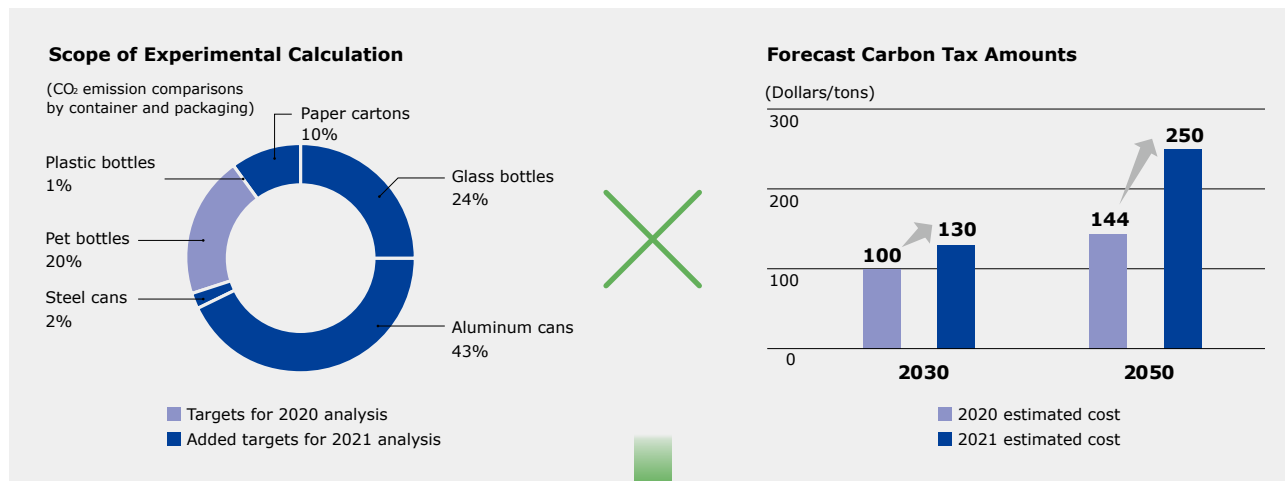
Note: Details of Asahi Carbon Zero target: 70% reduction (compared with 2019) by 2030 in 2021; 50% reduction (compared with 2019) by 2030 in 2020

Respond to Climate Change ▶ Respond to TCFD Recommendations

Scope 3 (Containers and 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 containers and packaging in 2021, which account 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. This differs from the calculation from 2020 in which we only calculated the financial impact of PET bottles, which, among all the containers we use within the supply chain of the Non-Alcohol Beverages Category, are believed to be significantly impacted by the introduction of a carbon tax.

As we expanded the varieties of containers and packaging used in this trial calculation and based it on the assumption that the forecast for the carbon tax will be higher than the previous year, the calculated amount rose significantly year on year. Accordingly, the amount of the carbon tax, which is now expected to cover all containers, is forecast to be 32.25 billion yen in 2030 and 62.01 billion yen in 2050. Through this calculation, we confirmed that PET bottles would account for 49.5% and aluminum cans 28.7% of the additional cost compared to the procurement cost of 2020, respectively, as these containers give off a particularly large amount of CO₂ emissions.



Financial Impact of Carbon Tax Introduction

	2030	2050
Experimental calculation for 2021	¥32.25 billion	¥62.01 billion
Experimental calculation for 2020	¥4.33 billion	¥6.23 billion

Notes:

1. The impact amount is calculated from the volume of CO₂ emissions during manufacturing.
2. The amount of carbon tax is independently estimated and set according to the forecast figures by the IEA's "Net Zero by 2050: A Roadmap for the Global Energy Sector (NZE)."
3. In 2020, the scope covered Japan, Europe, Oceania, and Southeast Asia. In 2021, the scope covered Japan (Alcohol Beverages and Non-Alcohol Beverages), Europe, and Oceania.

Calculation Method

While the scope of the trial calculation only covered PET bottles in 2020, it was expanded to cover six varieties of major containers and packaging in 2021.

Furthermore, the assumed amounts for the carbon tax used in the 2020 trial calculation were 100 dollars/ton for 2030 and 144 dollars/ton for 2050, with the targeted areas being Japan, Europe, Oceania, and Southeast Asia. Meanwhile, the assumed amounts for the 2021 trial calculation were 130 dollars/ton (90 dollars/ton in Southeast Asia) for 2030 and 250 dollars/ton (200 dollars/ton in Southeast Asia) for 2050, targeting Japan (Alcohol Beverages and Non-Alcohol Beverages), Europe, and Oceania.

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Response Measures

The Asahi Group has formulated a broad range of initiatives to reduce CO₂ emissions with a view to achieving Asahi Carbon Zero. These include 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

Additionally, we engage in activities to ensure our containers and packaging are more sustainable, striving to conserve resources as well as reduce the weight and improve the recyclability of our containers and packaging from a 3R (reduce, reuse, recycle) perspective. These efforts extend to all kinds of containers and packaging materials, including PET bottles, cans, glass bottles, caps, labels, and cardboards. We also engage in efforts toward innovating containers aimed at changing the consumer behavior of throwing containers away after one use.

Related Information

● Sustainable Packaging

1. Use of green heat in the Netherlands and the Czech Republic

We are currently proceeding with the gradual transition to renewable energy for electricity at our European plants. At the same time, we are undertaking efforts toward sustainable heat, in addition to electricity, in order to further accelerate our initiatives for achieving carbon neutrality. To that end, we have commenced the use of "green heat," which is generated from the renewable energy used during the brewing process.

In 2021, Koninklijke Grolsch N.V. in the Netherlands, which operates under the corporate umbrella of Asahi Europe and International Ltd., concluded a heat supply contract with Twence, a regional energy supplier, and subsequently commenced the use of green heat in 2022. Through the use of green heat, Koninklijke Grolsch N.V. is expected to be able to reduce its CO₂ emissions from natural gas usage by approximately 5,500 tons a year.

Also, in the Czech Republic, Plzeňský Prazdroj, which operates under the same corporate umbrella, entered into a long-term contract with the energy company Plzeňská teplárenská for the supply of green heat, running up to 2028. Based on this contract, Plzeňský Prazdroj commenced the use of green heat that utilizes wood chips as a raw material in 2021.

Going forward, we will continue to reinforce our initiatives to utilize renewable energy in Europe with the aim of achieving carbon neutrality.



2. Demonstration testing of bio-methane fuel cell power generation system

At the Ibaraki Brewery of Asahi Breweries, Ltd., we are carrying out a demonstration test of power generation through fuel cells that utilize biomethane gas derived from wastewater treatment processes.

We believe that the widespread use of this system in society will contribute to the reduction of the whole of society's CO₂ emissions. Accordingly, we intend to promote the popularization of the newly developed system by disclosing as much information as possible, without obtaining a patent for it.



3. Expanding the introduction of renewable energy through PPA

In 2019, Karadoc Solar Farm, one of the largest solar power plants in Victoria, Australia and built by Australian energy solutions provider BayWa r.e., officially commenced its commercial operations and began supplying electricity to Carlton & United Breweries Pty. Ltd. (CUB), a subsidiary of Asahi Holdings (Australia) Pty Ltd. Upon the plant's completion, CUB entered into a 12-year power purchasing agreement (PPA) with BayWa r.e. to receive an annual supply of 74,000 MWh of electricity. Not only does this PPA allow CUB to procure renewable energy, it will also reduce purchasing costs and secure power supply over the long term, thereby bringing the company much closer to its goal of sourcing 100% of its purchased electricity from renewable sources by 2025. As of 2020, CUB's classic beer brand, Victoria Bitter, is brewed with 100% solar electricity.



4. Commencing delivery of major brand Victoria Bitter via electric truck

In July 2021, Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia), introduced an electric truck for the delivery of its mainstay brand Victoria Bitter. The truck is powered entirely by 100% solar power drawn from Asahi Beverages' solar farm and is able to run up to 250 km off a single charge. The electric truck delivers over 100,000 cans and bottles each week from Asahi Beverages' distribution center in west Melbourne to stores across the city. The introduction of the electric truck was made possible through the cooperation of Linfox Pty Ltd., a major logistics company, and Volvo Group Australia, which provides vehicles to Linfox. By expanding the use of electric trucks moving forward, Asahi Beverages aims to realize its targets for CO₂ reductions.



Respond to Climate Change ▶ Respond to TCFD Recommendations

3. Business Impact Assessment of Water and Other Damage and Risk Assessment of Raw Material Producing Areas

For the Asahi Group, which makes use of the blessings of nature in its business activities, water is an indispensable and valuable resource. It is also a precious resource for all people and the global environment.

Floods and other natural disasters are currently occurring on a global scale, as are issues related to water resources. Demand for water has been growing each year, and there is a risk that the number of areas facing water shortages will increase going forward. In 2021, the Asahi Group implemented water risk analysis and estimated the impact on its businesses. This analysis identified risks including operational impact on production bases and impact on the procurement of raw materials.

Operational Impact on Production Bases

We estimated the impact of typhoons, floods, and other natural disasters on all Group production bases under a scenario that assumes a 4°C rise at the end of the 21st century by utilizing the World Resources Institute tool Aqueduct Floods, which investors use to conduct flood risk analysis due to the impact of climate change. Assuming the occurrence of a once-in-a-century flood, we analyzed the risk of flooding at each production base from the perspectives of river flooding and coastal flooding.

As a result of our analysis, five bases are at risk of damage to property, plant, and equipment and inventory assets due to flooding above floor level, with an estimated damage amount of approximately 1.73 billion yen.

We have also identified 10 production bases where suspension of operations is highly likely and which face approximately 6.72 billion yen in loss of opportunities if suspension of business were to continue.

Risk	Survey item	Number of bases impacted	Impact amount
Suspension of operations and damage to bases due to typhoons, floods, and other natural disasters*1	Damage to property, plant, and equipment*2	5	¥1.73 billion
	Opportunity loss due to suspension of operations*3	10	¥6.72 billion

Calculation Method

*1 Calculation targeted property, plant, and equipment and inventory assets of production bases in 2020.

*2 We determined damage percentages specific to depth of flooding and estimated the amount of damage to property, plant, and equipment and inventory assets of production bases while taking into account the insurance coverage ratio.

*3 We calculated the financial impact of opportunity loss by determining the average number of days of suspended operations specific to depth of flooding and the number of days of suspended operations at each impacted production base.

Water Risks in Raw Material Production Areas

We have identified regional raw material production risks through survey indicators*1 and have 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 The results showed that the Group faces the following risks in each of the areas where it procures raw materials.

*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

Respond to Climate Change ▶ Respond to TCFD Recommendations

Analysis Results

- 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 soybeans 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.

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
		United States		Extremely high		High		Extremely high
	Raw milk		Extremely high	Extremely high				High
		The Netherlands	High			High		
	Cacao	Ghana				High		
Côte d'Ivoire						High		
Beer Category	Barley	Czech Republic			High	Extremely high		High
		Italy		High				
		Poland			High			High
	Hops	Germany				High		High
		Japan				High		High
Non-Alcohol Beverages and Other Alcohol Beverages categories	Corn	United States				Extremely high		Extremely high
		Brazil				Extremely high		Extremely high
	Sugarcane	Thailand				High		High
		Australia				High		Extremely high
Skim milk and whole milk powder			High					

Respond to Climate Change ▶ Respond to TCFD Recommendations

Response Measures

Based on these trial calculations, 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, in order to realize the use of sustainable water resources. Additionally, we will conduct initiatives to realize the sustainable procurement of raw materials.

Related Information

- Sustainable Water Resources
- Sustainable Agricultural Raw Materials



1. Countermeasures for heavy rain, equipment, etc., due to the operational risks at production bases

When a large-scale natural disaster occurs, there may be risks to suspension of operations resulting from the inability to secure personnel and the stagnation of product supply due to damage to production and logistics functions. Accordingly, the Asahi Group is creating systems that minimize the impact on Group business activities by undertaking the development of various action manuals, ensuring the maintenance of facilities and equipment, and the holding of emergency drills on themes such as ensuring the safety of employees (and their families) and business continuity.

In anticipation of large-scale natural disasters, especially in earthquake-prone Japan, we are formulating business continuity plans (BCPs) based on the results of previous earthquake countermeasures and the experience of the Great East Japan Earthquake (March 11, 2011).

2. Reduction of water usage, assessment, and elimination of water risks

We are reducing water consumption at the water recycling facility at the Yatala Brewery of Carlton & United Breweries Pty. Ltd. by utilizing high-quality recycled water in various aspects of manufacturing (excluding any processes that come in contact with product), such as cleaning steam generators and production tanks and creating steam used for heat sterilization. Furthermore, we are reducing the volume of water we use by reviewing the manufacturing process.

In the evaluation of water stress risks (the degree of stress between water supply and demand), we found that two of our production plants in Italy qualify as extremely high risk. We have examined survey results for past water risk (vulnerability) surveys in Europe and begun considering possible countermeasures against such risks.

At production sites in Japan, no sites were found to be high risk under the above water risk assessment criteria. However, we conducted our own more detailed water risk (vulnerability) surveys at two plants in Japan during 2020 and confirmed that there were no serious risks. Additionally, we have started conducting surveys of plants at other overseas sites, such as those in Oceania.



3. Implementation of water risk surveys for suppliers

As a result of water risk surveys of agricultural production sites, we recognized the need for on-site checks. Accordingly, from 2017 we have been conducting interviews on the circumstances of water risks when implementing supplier quality audits.

Between 2017 and 2021, we conducted supplier quality audits at the factories of the total 131 suppliers and conducted interviews on the circumstances of water risks.

- Procurement of raw materials impeded by water shortages: 129 factories not impeded; two impeded
- Operation of factories impeded by water shortages: 131 not impeded

The two factories which answered that procurement of raw materials was impeded by water shortages have experienced severe droughts in the past, resulting in crop failure of agricultural products. As a response to this, agricultural producers at Factory A have prepared numerous water sources, and the procurement division of Asahi Group Holdings, Ltd. has carried out a decentralization of procurement areas in response to risks. Suppliers at Factory B are examining multiple agricultural raw materials.

Going forward, we will implement appropriate countermeasures that are relevant to the situation and surroundings if it becomes clear that water-related risks exist.

Respond to Climate Change ▶ Respond to TCFD Recommendations

Opportunities

The Asahi Group is aware of the importance of seizing business opportunities that contribute to resolving climate change while assessing the related risks and opportunities. We will not only reduce the environmental impact by utilizing the Group's proprietary technologies but also create a cycle that is positive for the environment by creating environmental value in society and having a positive impact on the environment. Furthermore, we aim to realize a sustainable society while achieving business growth through the support of a rich diet.

Expansion of Sales Channels for Agricultural Materials Derived from Brewing Yeast Cell Walls

With expectations to respond to environmental issues, including climate change, new food system strategies are being conceived in countries around the world and the reduction in volume of chemical fertilizer and agrochemical use has been set as one of the targets for achieving this. Amid an increase in the risk of damage to agriculture, a decrease in brewing yields of agricultural products, and a decrease in quality due to climate change, an increase in demand is predicted for agricultural materials derived from brewing yeast cell walls (fertilizer raw materials) that are expected to improve crop growth. 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 in diverse crops and are expected to reduce agrochemical use and reduce the CO₂ emissions corresponding to yield.

Asahi Biocycle Co., Ltd. carried out evaluation tests in collaboration with JA Gifu (located in Gifu, Gifu Prefecture, Japan) 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 brew-

ing 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*



Paddy fields that did not use the fertilizer raw materials suffered approximately 20% crop damage due to golden apple snails (September 2020). Paddy fields that used the fertilizer raw materials reduced crop damage (September 2020).

Sales Expansion of Freeze-Dried Products

Natural disasters, such as heavy rain and drought, are expected to gradually increase in strength and frequency due to climate change. The Cabinet Office of Japan has indicated its direction to formulating and promoting disaster plans in preparation for severe meteorological disasters. They have also recognized the need to increase stockpiles of emergency food and prepare for prolonged stays in evacuation centers due to an increase in awareness of natural disasters.

There is a need to provide high-added value and functionality due to the diversification of emergency foods and stockpile food for people requiring special attention, such as the elderly, infants, and people with chronic illnesses, and for the reduction of stress when staying in evacuation centers. Due to this need, the rolling inventory method is being widely publicized by the government and local authorities, which are encouraging the regular purchase of food for stockpiling. Accordingly, freeze-dried food products are attracting attention since they can be enjoyed as regular food, are lightweight without taking up space, can be stored for a long time at room temperature, and are less likely to lose their nutritional components.

Asahi Group Foods, Ltd. aims to support a rich diet through freeze-

dried products that boast advanced technological strength, have a production line, have an overwhelmingly wide lineup, and boast the top share of the market. In addition to the Japanese staple miso soup, we have developed products including curry, rice bowl dishes, pasta, chilled soup that can be rehydrated with cold water, and low-sodium products.

Freeze-dried products are also suitable for the rolling inventory method of building up stock while enjoying them as regular food items. Moreover, we can contribute to the maintenance of the mental and physical health of highly stressed evacuees suffering from nutritional deficiencies by enabling them to bring a variety of foods to stays in evacuation centers.

There is an increasing frequency of natural disasters and an increasing demand for preparing for prolonged stays in evacuation centers. Accordingly, we will expand sales of freeze-dried products in combination with Asahi Group Foods' dietary supplements, which can provide nutritional support during a disaster, and Asahi Soft Drinks' Asahi OISHII MIZU long-life mineral water (for emergency stockpiling).

Development of Products That Contribute to Heatstroke Countermeasures

Amid predictions of temperature rises due to climate change, there are concerns about the impact on health, such as heatstroke.

The Asahi Group is developing products that contribute to countermeasures against heatstroke.

It is said that minerals (salt) are lost together with water when sweating, so salt intake is recommended while rehydrating.

Products such as CALPIS THE RICH and DODECAMIN, sold by Asahi Soft Drinks Co., Ltd., are part of our heatstroke countermeasure designs, and we plan to develop other products in summer 2022. Asahi Group Foods, Ltd. also offers a selection of products, including candy that enables easy salt intake.

We will utilize the Asahi Group's combined strength of the Non-Alcohol Beverages Business and the Food Business to continue developing products that contribute to countermeasures against heatstroke.



Sustainable Packaging

Approach

The Asahi Group considers that efforts to reduce the environmental burden of plastic containers and packaging are essential as a means of contributing to building a circular economy and responding climate change issues. We have therefore established Guidelines on Plastics to enable our employees to take specific actions in cooperation with our stakeholders. The Asahi Group has defined the following policy on Approach to Sustainable Containers and Packaging and is promoting the use of containers and packaging that are 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, biodegradable 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 toward a circular economy.
5. Design each container/packaging 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/packaging that can be reused as many times as possible
 - Design containers/packaging 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/packaging easier after use

The "Reduce" of containers and packaging involves making containers and packaging lighter in weight to preserve resources and leads to resources and energy conservation and reduced emissions of carbon dioxide. "Reuse" here means repeatedly using returnable bottles, kegs and similar materials. "Recycle" means reusing used containers such as aluminum cans and glass bottles for use as other containers or products.

Management System

- Environmental Management System

Goals

In containers and 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' "Container and Packaging 2030" initiative.

Groupwide Targets "3R + Innovation"

- 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, 3
- Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers*3

Sustainable Packaging

*1 Targeted containers: PET bottles, plastic bottles, caps used for PET and plastic bottles, certain plastic containers and plastic cups (used for sales), etc.

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.

*3 Target companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe & International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

🔗 Environmental Policies

KPI

Containers and Packaging 2030 (Asahi Soft Drinks Co., Ltd.)

Key Strategies	Goals (KPIs) and Activities Aimed at Achieving Them
Use recycled PET and other environmentally friendly materials	Aim to switch 100% of PET bottles to eco-friendly materials (recycled PET bottles, biomass bottles) by 2030.
Reduce containers and packaging	Aim to reduce the volume of plastic containers and packaging used, such as by increasing the use of unlabeled bottles.
Develop new environmentally friendly containers	Aim to research and develop containers made from materials other than plastic, and other new environmentally friendly materials.

🔗 KPI

Related SDGs



Related Information

- 🔗 Activities (Sustainable Packaging)
- 🔗 Respond to TCFD Recommendations

Sustainable Packaging▶Activities

Containers and packaging play an important role in the provision of products. In addition to maintaining quality, ensuring strength for transportation, other functional purposes such as design and as a means of communication for displaying information, containers and packaging are also expected to be easily usable at the time of use, and utilize sustainable raw materials and resources. Meanwhile, the inappropriate disposal of plastic containers and packaging create urgent social issues, such as ocean plastic pollution and the impact on ecosystems.

As a company that conducts business activities that are complemented by nature, the Asahi Group promotes the 3R (Reduce, Reuse, Recycle) of containers and packaging. To achieve this aim, we will work with industry associations for each container and packaging material and jointly develop technologies with suppliers.

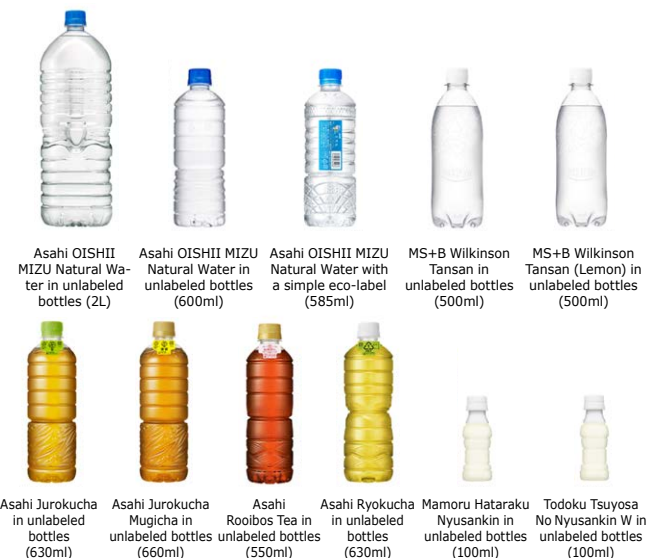
Activities for Plastic Containers and Packaging

Reduce

Unlabeled Bottles: Reducing the Use of Sticker-type Labels to Achieve Totally Unlabeled Bottles



Asahi Soft Drinks Co., Ltd. has unlabeled products. The system for labelling containers for identification was changed in April 2020, enabling the company to completely shift to unlabeled products by printing the recycling symbols directly onto PET bottles instead of using tack sticker labels.



In May 2018, Asahi Soft Drinks Co., Ltd. launched unlabeled products which are sold by the box only. Currently, this has been extended to six product types and eleven items. 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, the activity is praised for its contribution to 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, 585ml PET bottles of Asahi OISHII MIZU natural mineral water with a simple eco-label went on sale on a trial basis, available at stores and some vending machines in limited areas of East Japan. 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.

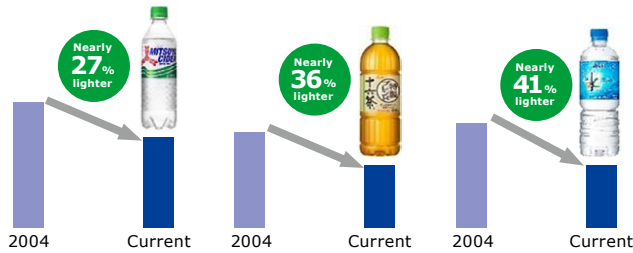
Reducing the Weight of Plastic Bottles



Asahi Soft Drinks Co., Ltd. reduced the weight of the plastic bottle for Calpis (34 grams per bottle) by 2 grams in 2019. This initiative has reduced annual plastic consumption by approximately 130 tons.

Sustainable Packaging ▶ Activities

Making Lighter Weight 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 Weight PET Bottles of Alcoholic Beverages



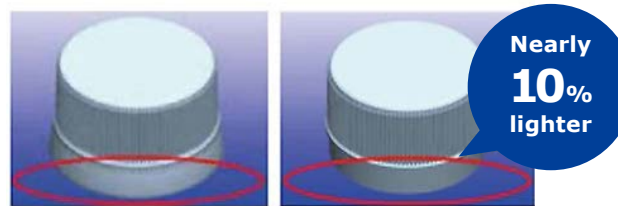
Asahi Breweries, Ltd. has developed a handled 4-liter PET bottle which is the lightest of its kind in the industry. Weight reduction was achieved through the computer-aided engineering technology of Asahi Group. This technology uses a virtual prototype on a computer for simulation and analysis instead 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 31.5g of plastic resin per bottle, approximately 22% lighter than the previous weight. 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 whiskey, including Black Nikka.

Expanding Refillable Products



Asahi Group Foods, Ltd. has introduced refillable packages for some of its products, such as Oshibori Wetty, Suhada Shizuku and Milufuwa, to reduce waste and the amount of plastics used.

Making Lighter Weight Caps for Carbonated Beverage PET Bottles



A conventional cap The cap being developed
 Since February 2018, the cap that Asahi Soft Drinks Co., Ltd. uses for its carbonated beverage PET bottles is the lightest in Japan.* The cap, collaboratively developed with Nippon Closures Co., Ltd., made PET bottle caps between 7 and 10% lighter, from between 3.25 and 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 PET bottles to reduce label consumption per bottle by nearly 55%.

"Asahi Jurokucha" 630ml and 660ml will be partially roll-labeled from March 2022. This initiative is expected to reduce the number of labels used per bottle by approximately 73% and the amount of plastic resin used as raw material by approximately 163 tons per year.

The Move from PET to Returnable Bottles for Beer

Pleznský Prazdroj Slovensko, a.s., a subsidiary of Asahi Europe & International Ltd, has switched from PET bottles to returnable bottles by no longer selling Gambrianus and Šariš branded PET bottled beer from 2020 and Smádný Mních and Velkopopovický Kozel branded PET bottled beer from 2021. As PET bottles for beer require special membranes that cannot be recycled, the decision was made to switch to returnable bottles, which are fully recyclable. The elimination of the production of PET bottles in 2021 is expected to reduce plastic by more than 1,300 tons per year.

Eliminating the Use of Plastics in 6-can Pack Rings and Shrinkable Films



Carlton & United Breweries, a company under the umbrella of Asahi Holdings (Australia), ended its use of plastic rings and shrinkable films for 6-can packs of canned

Sustainable Packaging ▶ Activities

products in 2019. It is expected that this will result in an annual reduction of more than 30 million plastic rings and more than 248 tons of plastic shrinkable film.

The Move to Cardboard for Cans: Four- and Six-packs TOPCLIPS



In 2021, Asahi Europe & International Ltd. began the full replacement of plastic shrink film with corrugated cardboard “top-clip” packages for four- and six-can packs of beer produced by Grolsch, the Dutch brewery. By replacing the plastic packaging of all four- and six-packs in the Netherlands with cardboard top clips, 100,000 kg of plastic (equivalent to 4 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 containers and 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 its lactic drinks 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” 500ml PET products, and a limited-quantity rollout began in February 2022. We will verify the results of the test deployment and consider expanding its use in the future.

Collaboration with Outside Companies to Circulate PET Bottle Resources

Asahi Soft Drinks Co., Ltd. has started activities for the circular consumption of PET bottle resources in collaboration with outside companies by procuring chemically recycled PET resin with the goal of achieving its Container & Packaging 2030 target, switching 100% of PET bottles to eco-friendly materials (recycled PET or biomass PET) by 2030. This involves the financing of JEPLAN, Inc., the company that recycles bottles, and supporting its subsidiary, PET Refine Technology Co., Ltd., in the resumption of its factory operations to stimulate the procurement of chemically recycled PET resin. Production is scheduled to begin in April 2022.

Introducing 100% Recycled PET Bottles



Asahi Holdings (Australia) Pty Ltd. has invested in Blow-filling technology (a technology for the in-house production of PET bottles), thereby developing PET bottles with even lighter weight. The company has also introduced recycled bottles. This activity enables the use of 100% recycled PET bottles that reduce CO₂ emissions to approximately half of the emissions of conventional bottles. For some products, the company has succeeded in reducing CO₂ emissions by 32% in the overall product lifecycle, from manufacturing to refrigeration and sales.

Establishing a Factory for the Manufacturing Raw Materials for Recycled PET Bottles

Asahi Beverages, a subsidiary of Asahi Holdings Australia, operates a joint venture to build and operate a PET bottle recycling plant with Pact, a packaging manufacturer, Cleanaway, a waste disposal company, and competitor Coca-Cola Europacific Partners. In February 2022, a new recycling plant to process 28,000 tons of used PET bottles began operations. In addition, the joint venture is currently constructing a new plant using state-of-the-art sorting, cleaning, and decontamination technology that, when completed, will be capable of processing the equivalent of approximately 1 billion PET bottles per year and producing over 20,000 tons of recycled PET bottles and food packaging.

In this joint venture, Cleanaway sorts and collects reusable PET bottles through its own network, Pact provides technical expertise in packaging, and Asahi Beverages, Coca-Cola Europacific Partners, and Pact purchase recycled PET. By complementing each other’s expertise, companies across the industry are working together to solve the com-

Sustainable Packaging ▶ Activities

mon social issue of addressing the growing plastics problem.

Asahi Beverages has transitioned to bottles using 100% recycled PET resin for its mineral water brand "Cool Ridge," and will continue to actively address the issue of plastic containers and packaging across industry boundaries, aiming to achieve its goal of using 100% recycled PET in its target brands by 2030.

Eco-friendly Materials

Encouraging the Use of Plant-Derived Materials in Containers and Packaging



Asahi Soft Drinks Co., Ltd. used Mitsuya Cider 1.5L PET bottles that employed plant-derived materials in a limited quantity since 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 OISII MIZU, Asahi Jurokucha, and Mitsuya were fabricated from biomass materials.

Plastic Bottles Made Partly from Plant-derived Bio-Polyethylene



Calpis 470ml
"Peace Bottle"

Plant-derived bio-polyethylene is 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.

Avoiding the Use of Disposable Plastic Containers for Products

Development of Reusable Cup "Tumbler in the Forest"



Asahi Breweries, Ltd. and Panasonic Corporation have collaboratively developed Tumbler in the Forest, 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 "forest tumblers" using local surplus products.

*Resin containing nano- to micro-fine pulp components developed by Panasonic

Development of "Mogu-cup", an 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 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 and prevents it from leaking the liquids 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.

Activities for Other Containers and Packaging (Cans, Bottles and Kegs, and Paper)

The Asahi Group engages in activities to ensure its containers and packaging is more sustainable. Specifically, it strives to conserve resources, use lightweight products and improve the recyclability of its products from the perspective of the 3R (reduce, reuse and recycle), including cans, glass bottles, caps, labels, cardboard boxes and other container and packaging materials.

Sustainable Packaging ▶ Activities

Activities for 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 Aluminum Can Lid 202 Dia



Asahi Breweries, Ltd. and Toyo Seikan Kaisha, Ltd. have jointly developed a 202-diameter aluminum can lid, the lightest domestically produced can lid (according to Asahi Breweries, Ltd.). Compared to conventional 204-diameter aluminum can lids, the diameter of the can lid has been reduced by approximately 3mm while maintaining the quality and strength of the can. As a result, the amount of aluminum used per can lid has been reduced to 2.5g, approximately 20% less than conventional can lids, making it the lightest in Japan. If all Asahi Breweries, Ltd. products that currently use 204-diameter can lids switch to 202-diameter can lids, annual CO₂ emissions will be reduced by approximately 14,300 tons. In September 2021, the Hokkaido Plant will conduct test production and sales of products using 202-diameter can lids with the aim of gradually commencing the switchover in 2023.

Making Lighter Weight Steel Cans



In 2019, Asahi Soft Drinks Co., Ltd. introduced five-bead cans for WONDA Black 185g, WONDA Special Café Au Lait 185g 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 28.1g can.

In 2022, we expect to reduce annual CO₂ emissions by approximately 2,620 tons and steel consumption by approximately 1,050 tons by changing the shape of the "Wanda" Morning Shot 185g 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.

Activities for Glass Bottles and Kegs

Reduce

Making Lighter Weight Returnable Beer Glass Bottles

Since 2014, Asahi Breweries, Ltd. has 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 burdens. The manufacturing and delivery of products entails the scraping of the sides or labels of products. Recessing the body of a bottle by 0.2mm to 0.3mm 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 as its own systems for collecting and washing these containers before repeated reusing them.

In 2021, Asahi Breweries, Ltd. collected and reused 172 million containers and Asahi Soft Drinks Co., Ltd. collected and reused 86 million containers.

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.

Sustainable Packaging ▶ Activities

Glass Bottle Collection Rate*

	2017	2018	2019	2020	2021
Asahi Breweries: returnable bottles	99.7%	100.9%	99.9%	106.2%	98.6%
Asahi Soft Drinks: returnable bottles	98.5%	99.0%	98.6%	103.0%	94.1%

*Collection rate: number of bottles collected / Amount of products sold kg × 100

Activities for Paper Containers and Packaging

Reduce

Test Deployment of Paper Materials with the Top of the Can Fixed Only



In October 2021, Asahi Breweries, Ltd. test-marketed “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 will be deployed for the first time in Japan (according to Asahi Breweries, Ltd.) as a six-pack can container. By adopting “eco-packs,” the paper area can be reduced by 77% for a 350ml six-can pack and 81% for a 500ml 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 350ml six-can pack and by 73% for a 500ml 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 aim 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 carton that can be placed in stores. Since this change, the container and packaging materials necessary for delivery occupy an area that is one third of what it had been. Further, the loading capacity of a pallet has been improved 80% and CO₂ consumption associated with the transportation of pallets has been reduced 44%.



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 wood content of 30% or higher Japanese products that contain 10% or more wood from forest thinning.

Display of Information on Environmentally Friendly Products

In March 2022, Asahi Group Foods 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” mark, and we will gradually display the eco-friendly mark on 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.

Sustainable Packaging ▶ Activities

<Eco-Friendly by Conserving Forests>

- Contribute to forest and environment conservation by using FSC-certified paper.

<Eco-Friendly by Using Natural Origin Packaging>

- Contribute to environment conservation by using bio-mass 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 the eight recycling organizations that are focused on with containers and packaging, including the trade organization that the Group joined in April 2006, has numerical targets and activity goals. They strive to practice the 3R, reduce, reuse and recycle, in accordance with the Fourth voluntary action plan for encouraging business operators to pursue the 3R. This plan set 2025 as its target year.

Cooperation in Environmental Study Classes

Furthermore, Since 2021, Asahi Soft Drinks Co., has prepared supplementary science teaching materials for primary school students on the theme of "Sustainable Environment and Water Resources" which will be delivered to approximately 100,000 students nationwide in 2022. The education program is designed to help elementary school students learn about the environment by introducing our environmentally friendly unlabeled products and convenience for users, along with teaching students about plastic bottle recycling and box for the collection of empty containers, using "Mitsuya Cider" as the subject.

In addition, we support the environmental education program for high school students organized by Public Interest Incorporated Association Nippon Association of Consumer Specialists and cooperate with the program by encouraging our employees to deliver lectures on the environment.

Environmental education has been provided by explaining the importance of recycling containers and packaging, describing the plastic problem that has become an environmental issue in recent years, and introducing the label-less products produced by Asahi Soft Drinks Co., Ltd.



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 Machine

Asahi Soft Drinks Co., Ltd. promotes the installation of one empty container collection and recycling box (The Beverage Industry Environment Beautification Association) per vending machine. The unified beautification mark (Food Container Environment Beautification Association) is posted on vending machines to prevent littering and raise awareness of the importance of recycling.

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 Soft Drinks Co., Ltd.

Asahi Soft Drinks Co., Ltd. sympathizes with the aims of Umigomi (marine waste) Zero Week, a joint initiative of the Ministry of the Environment and Public Interest Incorporated Foundation the Nippon Foundation. From the end of May to June every year, the company cleans up the areas around its offices around the country. In 2019, clean-up events took place at 19 locations near the company's offices on weekdays during Umigomi Zero Week and in June, which is Environment Month.

Furthermore, as a member company, we actively participated in the kick-off event held in September 2021 to commemorate the start of the "Zero Marine Litter Week" promoted by the Ministry of the Environment and the Nippon Foundation.

*In 2020 and 2021, we suspended the implementation of collective cleanup activities at workplaces to prevent COVID-19 pandemic infection.

Sustainable Packaging ▶ Activities

Activities at Asahi Europe & International Ltd.

Aware of its importance, Asahi Europe & International Ltd. engages in many different activities to reduce waste and reuse and recycle packaging materials.

Between 2018 - 2021, Ursus Breweries became the first partner company of the three biggest Romanian festivals, Neversea, Untold and Oktoberfest, to separately collect and recycle more than 2,600kg of aluminum beer cans and more than 21,800 plastic cups in festival venues. For its activities, Ursus Breweries was awarded at the 2019 Green Can Business Award Gala.



Since the beginning of Romanian nationwide clean-up initiative Let's Do it, Romania! in 2010, Ursus Breweries has been its largest volunteer partner. To date, more than 1,300 employees of the company have participated in volunteer activities in Bucharest and other cities and collected thousands of bags of waste.

In 2020 the beer brand Ciucas started national campaign through which it collected and recycled 1,338kg of plastic caps and metallic pull-tabs. In 2021 it also carried out a campaign in the "Ciucas Relaxation Areas" and collected and recycled 13,000 cans meaning about 160kg of aluminum.

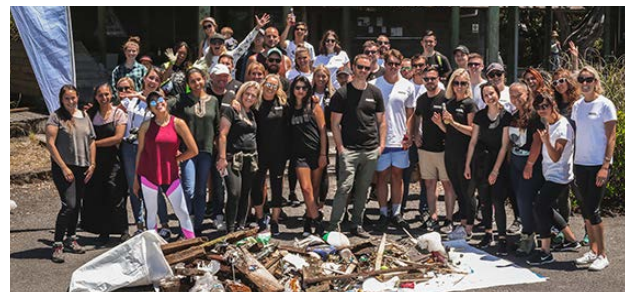
Gambrinus, another beer brand, partnered with the Clean Czechia project in 2020 and, as part of a stop PET campaign, supported the Clean the World, Clean Czechia clean-up event. Tens of corporate volunteers participated

in the Gambrinus Cleans Pilsen event to clean the area around the Pilsen Brewery and collect 50 bags of waste.



Activities at Asahi Holdings (Australia)

Phoenix Organics, a New Zealand beverage brand, has supported the beach clean-up and forestation activities of Sustainable Coastlines, a charitable organization based on the coast of New Zealand since 2012. In 2020, the brand was a gold sponsor of Sustainable Coastlines and about 40 employees participated in a beach clean-up event in Rangitoto.



Sustainable Agricultural Raw Materials

Approach

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 yields 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.

Based on the [Asahi Group Sustainable Procurement Principles](#) and in cooperation with suppliers, the Asahi Group complies with the [Asahi Group Supplier Code of Conduct](#) and is committed to procurement activities that are friendly to the global environment and local communities. 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 the sustainable procurement of raw materials to ensure that it is possible to preserve the valuable blessings of nature for future generations.

Management System

- Environmental Management System

Goals

The Asahi Group will comply with the Asahi Group Supplier Code of Conduct in cooperation with its suppliers.

Regarding 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. The evaluation of environmental risks is based on a perspective of climate change, water risks and biodiversity, and the Asahi Group evaluate human rights risks from a perspective of the environments of local communities and farms together with their human rights. In this way, the Asahi Group understands the current status of the risks faced by our suppliers and acts appropriately.

KPI

- KPI

Related SDGs



Related Information

- Activities (Sustainable Agricultural Raw Materials)
- Realize Sustainable Supply Chains
- Sustainable Water Resources
- Respond to TCFD Recommendations
- Respect for Human Rights

Sustainable Agricultural Raw Materials ▶ Activities

Outline of Activities

The Asahi Group pursues the sustainable agricultural raw materials that are friendly to the global environment and local communities.

Regarding its raw material suppliers, the Asahi Group's procurement activities comply with the **Asahi Group Supplier Code of Conduct** based on the **Asahi Group Sustainable Procurement Principles**, with the goal of achieving a sustainable supply chain.

The Asahi Group specifies the important agricultural raw materials in each of its business categories and has assessed the risks surrounding these important raw materials 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 for 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 researched the places where it procures raw materials and the places where the raw materials are made, including nearly 150 regions around the world.

Soft Drinks Category

Based on the size and range of our procurement of agricultural raw materials in the soft drinks business, the Asahi Group defined coffee, sugar (both sugar cane and sugar beet), corn, raw milk, skim milk and whole milk

powder as important raw materials and 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 business, the Asahi Group surveyed raw material suppliers and production sites in approximately 30 regions around the world, with oil palm, soybeans, cacao, corn, and raw milk as key raw materials.

The Asahi Group Conducts Its Research Regarding the Important Agricultural Raw Materials of Its Alcohol Beverages, Soft Drinks and Food Category 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
Soft Drinks 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 in 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 which are

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 of 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 through 2021

- **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 barley and corn, two agricultural raw materials, was larger in the 4°C scenario than in the 2°C scenario.
- **Soft drinks:** The Asahi Group identified the possibility that climate change could significantly affect its soft drinks. 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 business:** 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, cocoa on an increasing trend, and soybeans on an increasing trend depending on the region.

● Respond to TCFD Recommendations

Sustainable Agricultural Raw Materials ▶ Activities

(2) Impact on Water Resources (Water Risk Survey)

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 assess 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).

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 through 2021

- **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.
- **Soft drinks:** 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 business:** The soybean-growing river basins in the North America has potential for future water stress. There may be drought risks in the European river regions where corn is grown.

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 con-

sidering the water resources and environments in these areas.

● 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 burdens that animal excrement and other consequences of stock-breeding place on the natural environment.

Based on biodiversity hot spot data and other data, the Asahi Group also surveyed the biodiversity (the abundance of birds, mammals and amphibian and the status of endangered species in a habitat) of the sites of its agricultural raw materials surveys.

Result of Evaluation through 2021

- **Alcohol beverages:** The consideration of biodiversity in relation to the environmental burdens of agricultural production areas is necessary in the barley- and hop-growing river basins in Europe and the corn-growing lake areas in North America.
- **Soft drinks:** The considerations of biodiversity in relation to the environmental burdens 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, provided that they are forest biospheres rich in nature.
- **Food business:** The considerations of biodiversity in relation to the environmental burdens 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.

The Asahi Group is in the process of sharing information about the environmental risks faced by its suppliers as it works to stay on top of 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 in 2021

- The Asahi Group conducted desk research on the risk of modern slavery in the Asahi Group's main procurement raw materials. For coffee bean production in Ethiopia and Tanzania, which were identified as high risk as a result of the assessment, human rights risks were identified and assessed through desk research and interviews in 2021.
- The Asahi Group confirmed human rights and labor risks with all primary suppliers of raw materials with whom it has ongoing business transactions through the Supplier CSR Questionnaire in 2020. In 2021, we conducted a monitoring survey of 12 of these companies using a videoconferencing system, asking them about their actual initiatives and discussing ways to improve issues.
- The Asahi Group joined the non-profit membership organisation Sedex in 2020 and will continue to utilize Sedex's information platform to identify potential risks for suppliers and promote human rights due diligence.

Related Information

- Promotion of CSR Procurement
- Our Human Rights Due Diligence Process
- Supplier CSR Questionnaire

Sustainable Agricultural Raw Materials ▶ Activities

Main Activities

Share Information with Raw Materials Suppliers

The Asahi Group has advanced its identification of places where the agricultural raw materials indispensable for the continuation of its operations are produced and are 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 of the support of farmers in the farming of barley and hops, the raw materials of beer. In Australia, the Asahi Group is developing an SCM scheme to procure directly from farms and monitoring the process for sustainable cultivation. Furthermore, research on soil-related technologies has also been initiated to increase farm product yields through the use of beer yeast cell wall materials and to achieve other goals. By supporting farmers and developing technologies in this way, the Asahi Group aims to realize the sustainable agricultural raw materials.

● Utilization of Beer Yeast Cell Walls

Transactions with Farm Producers Certified by Third-party Agencies

The Asahi Group assess 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.

● Promotion of CSR Procurement

Sustainable Water Resources

Approach

Water resource problems have arisen on a global scale, due in part to the global population growth, the economic growth of developing countries, and climate change. Global demand for water is increasing every year. Water shortages may occur in more countries and regions.

Water is an indispensable and valuable resource for the Asahi Group as it enjoys “the blessings of nature” in its business operations. Water is also an important part of the global environment. For this reason, the Asahi Group continues working to reduce water use at its production sites and to identify and respond to water risks in order to facilitate the sustainable utilization of water resources.

Through the sustainable utilization of water resources, the Asahi Group will continue to pursue the achievement of zero environmental burden created by its business activities (neutrality) and the preservation of the valuable blessings of nature for future generations.

Management System

- Environmental Management System

Goals

The Asahi Group aims to ensure that all facilities of its major companies only use sustainable water resources.

To this end, the Asahi Group set a water consumption rate reduction target for the alcoholic beverage and soft drink factories of the major companies of the Group. 48 production 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 further water use efficiencies to reduce water risks at production sites.

Targets for the Sustainable Utilization of Water Resources

Groupwide Targets for Water Resources	Achieve a basic unit of water consumption of 3.2m ³ /kl or less by 2030*
Assessment and Elimination of Water Risks	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 & International Ltd., Asahi Holdings (Australia) Pty Ltd., and Asahi Holdings Southeast Asia Sdn. Bhd.

- Environmental Policies

KPI

- KPI

Related SDGs



Related Information

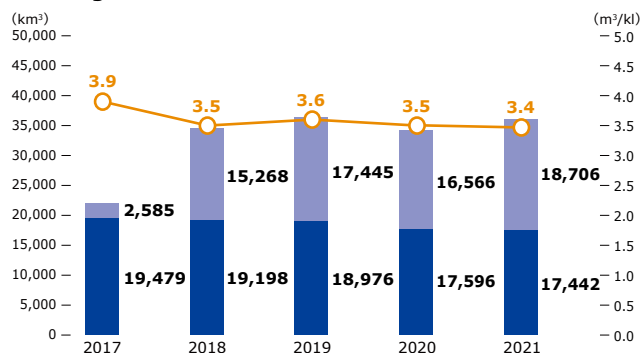
- Performance (Sustainable Water Resources)
- Activities (Sustainable Water Resources)
- Sustainable Agricultural Raw Materials
- Realize Sustainable Supply Chains
- Respond to TCFD Recommendations
- ☑ CDP Water Security Questionnaire 2022 (Japanese Only)

Sustainable Water Resources ▶ Performance

Water Consumption and Basic Units

The water consumption and basic units in the Asahi Group in 2021 were calculated from the Group's operating companies in Japan, Europe, Oceania and Southeast Asia.

Water Consumption and Basic Units Used in Alcohol Beverages Business and Soft Drinks Business



■ Japan: Water consumption (km³)
 ■ Overseas: Water consumption (km³)
 ○ Basic unit of water consumption (m³/kl):
 Water consumption per unit of production volume (kl)

*Carlton & United Breweries Pty Ltd.'s performance has been added to performance of Oceania since 2021.

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

Water Consumption by Country

Country	2017	2018	2019	2020	2021
Japan	23,723	22,777	22,280	20,584	20,227
Australia	2,277	2,469	2,422	2,318	4,315
New Zealand	307	344	337	294	273
U.K.	-	49	40	126	152
Italy	-	1,983	2,099	1,889	2,062
The Netherlands	-	948	918	937	923
Poland	-	3,731	3,783	3,779	3,560
Czech Republic	-	3,221	3,197	3,033	2,961
Slovakia	-	349	363	397	374
Hungary	-	778	718	634	685
Romania	-	1,975	1,971	1,979	1,977
Malaysia	-	-	1,829	1,477	1,886
Indonesia	-	-	193	197	206
Vietnam	-	-	39	30	-
Myanmar	-	-	101	-	-
Total	26,307	38,623	40,292	37,673	39,602

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

Water Intake by Water Source

Country/Region	Water intake source	2017	2018	2019	2020	2021
Japan	Clean water, tap water, and industrial water	12,709	12,572	12,177	10,693	10,327
	River water	2,725	2,598	2,505	2,307	2,413
	Groundwater	8,289	7,606	7,598	7,584	7,486
Oceania	Clean water, tap water, and industrial water	1,978	2,287	2,294	2,160	4,056
	River water	0	0	0	0	88
	Groundwater	607	525	466	452	443
Europe	Clean water, tap water, and industrial water	-	7,015	7,083	7,177	6,882
	River water	-	0	0	0	0
	Groundwater	-	6,019	6,006	5,596	5,813
Southeast Asia	Clean water, tap water, and industrial water	-	-	1,101	795	1,156
	River water	-	-	0	0	0
	Groundwater	-	-	1,062	909	936
Total by water intake source in Japan	Clean water, tap water, and industrial water	14,688	21,875	22,655	20,825	22,422
	River water	2,725	2,598	2,505	2,307	2,501
	Groundwater	8,896	14,150	15,132	14,542	14,679
Grand total		26,308	38,623	40,292	37,673	39,602

*From 2018, the Asahi Group discloses data about the Group's water consumption and wastewater output, which has been verified by a third party.

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

Sustainable Water Resources ▶ Performance

Wastewater

Wastewater by Country

Unit: km³

Country	2017	2018	2019	2020	2021
Japan	16,779	16,615	16,428	15,312	14,873
Australia	801	1,128	1,218	1,133	2,106
New Zealand	186	227	214	165	151
U.K.	-	32	27	77	128
Italy	-	1,178	1,205	1,140	1,198
The Netherlands	-	576	605	651	639
Poland	-	2,238	2,298	2,229	2,085
Czech Republic	-	1,953	1,825	1,852	1,775
Slovakia	-	238	269	215	188
Hungary	-	499	536	412	443
Romania	-	1,128	1,154	1,195	1,239
Malaysia	-	-	502	557	539
Indonesia	-	-	165	154	172
Vietnam	-	-	23	18	-
Myanmar	-	-	72	-	-
Total	17,766	25,813	26,540	25,111	25,536

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

Wastewater Amount by Destination of Wastewater

Unit: km³

Country/Region	Destination of wastewater	2017	2018	2019	2020	2021
Japan	Sewer	8,410	8,055	7,782	6,975	6,582
	Sea	567	641	702	521	381
	River	7,802	7,918	7,944	7,816	7,910
	Other (Irrigation)	0	0	0	0	0
Oceania	Sewer	987	1,345	1,423	1,289	2,233
	Sea	0	0	0	0	0
	River	0	0	0	0	0
	Other (Irrigation)	0	11	9	10	24
Europe	Sewer	-	7,689	7,452	7,286	7,355
	Sea	-	0	0	0	0
	River	-	154	467	485	339
	Other (Irrigation)	-	0	0	0	0
Southeast Asia	Sewer	-	-	0	0	539
	Sea	-	-	0	0	0
	River	-	-	762	713	156
	Other (Irrigation)	-	-	0	17	16
Total of water discharge	Sewer	9,397	17,089	16,657	15,550	16,709
	Sea	567	641	702	521	381
	River	7,802	8,072	9,172	9,013	8,405
	Other (Irrigation)	0	11	9	27	41
Total		17,766	25,813	26,540	25,111	25,536

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

Third-Party Verification

● Third-Party Verification

Sustainable Water Resources ▶ **Activities**

The Asahi Group established our targets for its utilization of sustainable water resources, the Reduction in Water Use and the Assessment and Elimination of Water Risks, and engages in activities accordingly.

Reduction in Water Use

The Asahi Group conducts many different activities to reduce water consumption, with the established target of consuming 3.2 m³/kl of water or less at the factories of the Group's companies manufacturing alcoholic beverages and soft drinks.

Approach

To achieve the use of 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 our manufacturing sites. One such effort is adopting 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 minimise the environmental burden.

Specific Activities to Reduce Water Use

Activities of Yatala Brewery

The water recycling facility at the Carlton & United Breweries' Yatala Brewery, a company under the umbrella of Asahi Holdings (Australia), 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, using only on average 2 m³ of water to manufacture 1 kl of product.

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 Facilities



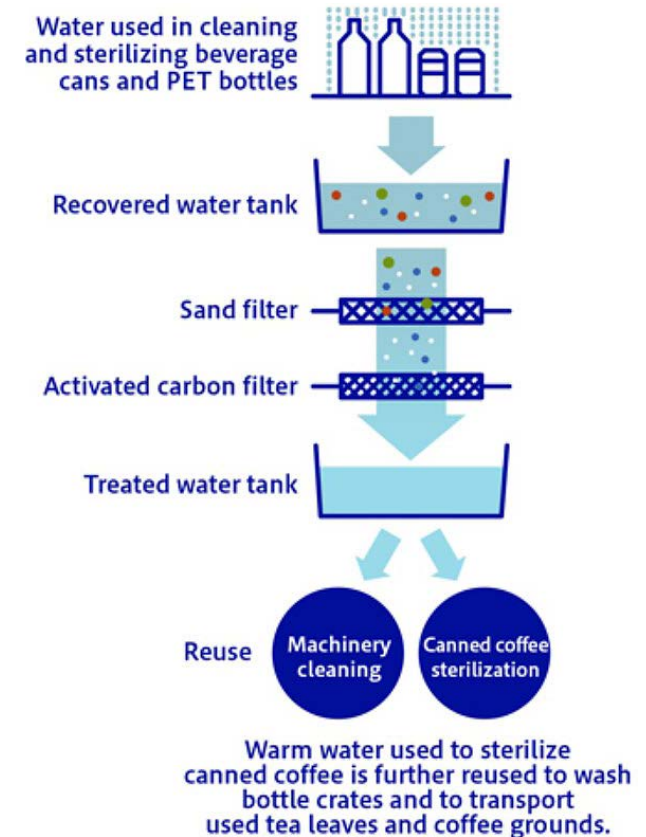
Kanagawa Brewery



Shikoku Brewery

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 are treated and reused for other purposes.

Sustainable Water Resources ▶ Activities



Air induction nozzle

Modifications in the shape and water flow rate of air induction nozzles used in washing PET bottles and bottle caps led to reduced water use and superior cleaning capability.

Water use was reduced by 60% to 75% from that prior to modification.

In addition, starting from 2018, the Asahi Group will disclose water consumption and wastewater amount data that have been third-party verified.

Activities of Birra Peroni S.r.l.

Birra Peroni S.r.l. 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 farm products 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 production sites, and the Asahi Group strives to identify and eliminate water risks.

Water Risk Survey at Production Sites

The Asahi Group's assessments of water risks at its production 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 production site. The areas whose overall water risk is identified by WRI Aqueduct as "extremely high risk" are defined as the areas 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 production plants in Italy also qualify as being at extremely high risk. Asahi Europe & International Ltd., which oversees Italian operations, has set a goal of reducing an average consumption of 2.75 liters of water 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 production sites in Japan, no sites were found to meet the definition of being at high risk from water risks under the above assessment criteria. However, we have now started conducting our own more detailed water risk (vulnerability) surveys, which include not only water stress risks but also flood risks relating to climate change, at Asahi Group production plants and in their surrounding drainage basins since 2020. We conducted surveys at four plants in Japan and four plants in Oceania during 2021, and plan to conduct further surveys of plants at other regional and international production locations in the future.

Going forward, we will continue to regularly survey our production sites and raw material suppliers using tools such as WRI Aqueduct to verify the presence of water risks. If any of our production sites are found to have a high level water risk, we will take appropriate measures in accordance with specific details of the risk and social circumstances in the area.

Securing a Sound Water Cycle in the Asahi Forest

The Asahi Group implements appropriate forest management at the Group-owned forest "Asahi Forest" (Japanese Only), contributing to freshwater resource preservation through enhanced groundwater recharge in the region. The amount of groundwater recharge in the Asahi Forest is greater than we use annually at our brewery operations in Japan. Actively engaging diverse stakeholders, we protect and conserve biodiversity in the Asahi Forest, and continue to contribute to the 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. Since then, the managed area has been expanded, and the groundwater recharge amount in Asahi Forest has been 11.01 million m³ since 2021.

The amount of water used by national beer breweries in 2021 was approximately 9.63 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.

Sustainable Water Resources ▶ Activities

Conducting Water Risk Surveys in Raw Materials Procurement

Water is a raw material that is indispensable to the Asahi Group and necessary for growing farm products. The Group assesses water quantity risks (risks of water stress, seasonal variation, the lowering of groundwater levels and other phenomena that pose difficulties in the securing of the necessary amounts of water for the growing of farm products) and natural disaster risks (flood and drought risks) faced by the places of origin of its farm products.

Related Information

● Activities (Sustainable Agricultural Raw Materials)

Conducting Water Risk Surveys of Suppliers

Water risk surveys in the raw materials procurement led to the identification of 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

Other Environmental Activities ▶ Reduction of Waste and Prevention of Pollution

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 things continue in their current state, the use of resources will plunge 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.

Management System

- Environmental Management System

Goals

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 (reduce, reuse and recycle) for waste to facilitate activities preventing pollution and achieves zero landfill waste at our factories 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 bases in Japan and the Asahi Group Head Office building.

- Environmental Policies

KPI

- KPI

Related SDGs



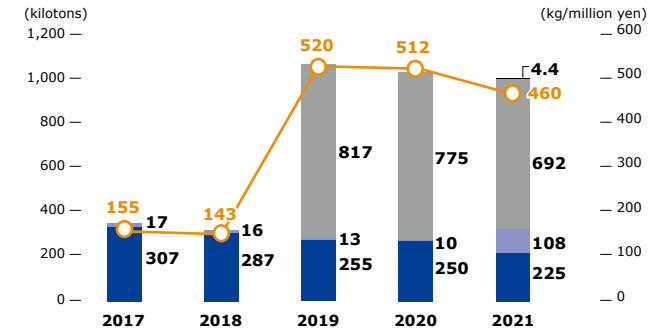
Related Information

- Realize Sustainable Supply Chains
- Respond to TCFD Recommendations

Waste Generation

The amount of by-products and waste generated in the Asahi Group in 2021 was calculated from the Group's operating companies in Japan, Europe, Oceania and Southeast Asia. Comparing the same range as the previous year, there was a 0.5% decrease compared to the previous year and a 10% decrease compared to 2020 for domestic operating companies.

Changes by Operating Business in the Volume of By-products and Waste Generated (Basic Unit)



- 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)
- Basic unit of by-products and waste generated (kg/million yen) per units of net sales

*Net sales in accordance with the International Financial Reporting Standards (IFRS) was used for basic unit calculations from 2016.
 *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 after 2021.
 *Carlton & United Breweries Pty Ltd.'s performance has been added to performance of Oceania since 2021.
 *Scope of aggregation: [Click here](#) for more information.

Business name	Unit: kilotons				
	2017	2018	2019	2020	2021
1. Alcoholic beverages business	260	243	211	202	183
2. Soft drinks business	40	38	39	43	37
3. Food business	6.4	5.8	4.9	4.6	5
4. Other businesses*	0.2	0.2	0.2	0.1	0
5. Overseas businesses	17	16	830	785	805
Total of items 1 to 5	324	303	1,086	1,035	1,030
Basic unit of by-products and waste generated (kg/million yen): per units of net sales	155	143	520	512	460

*Generated from production bases (factories)
 *4. Other businesses include the building of the Asahi Group Holdings headquarters.
 *Scope of aggregation: [Click here](#) for more information.

Other Environmental Activities ▶ Reduction of Waste and Prevention of Pollution

By-products and Waste Generated and Recycled by Region

Unit: kilotons

Region	Content	2017	2018	2019	2020	2021
Japan	Waste generated	307	287	255	250	225
	Recycled	307	287	255	250	225
	Recycled rate (%)	100	100	100	100	100
Oceania (Australia, New Zealand)	Waste generated	17	16	13	10	108
	Recycled	15	14	12	9	106
	Recycled rate (%)	89	88	88	90	98
Europe (U.K., Italy, Netherlands, Czech Republic, Slovakia, Romania, Hungary, Poland)	Waste generated	-	-	817	775	692
	Recycled	-	-	798	757	679
	Recycled rate (%)	-	-	98	98	98
Southeast Asia (Malaysia, Indonesia)	Waste generated	-	-	-	-	4.4
	Recycled	-	-	-	-	1.4
	Recycled rate (%)	-	-	-	-	32

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

Activities for Waste Reduction

The Asahi Group advances a variety of activities for the reduction of waste.

Use of Recycled Resources

In Japan, the Asahi Group set a target of recycling 100% of the by-products and waste from its manufacturing bases in Japan*1 and this has already been achieved.*2

The Group will expand this effort to its overseas manufacturing bases and offices with the goal of recycling 100% of by-products and waste from the entire Asahi Group.

*1 Manufacturing bases (factories) 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 Utilization for 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 "Ebios" manufactured by Asahi Group Foods, Ltd. food material such as yeast extract, and "Asahi Super Beer Yeast" etc.
Cardboard/paper	Base paper of cardboard.
Waste palletes	Manufactured paper, fuel chips.
Label chaff	Recycled paper
Waste plastics	Recycled plastic
Steel scrap	Steel material
Aluminium scrap	Aluminium 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 Product

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.

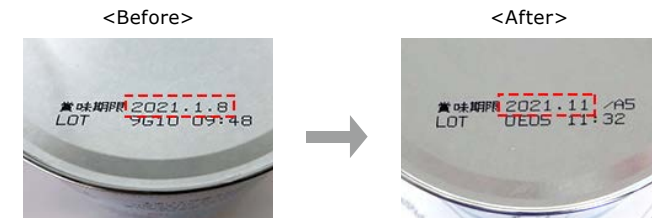
The Asahi Group Head Office building uses a methane fermentation system (Bio Energy Jonanjima Plant) to recycle food scrap waste into electricity and city gas and contribute to supplying electricity to Tokyo. Through this kind of initiative, the Head Office building has maintained 100% waste recycling since 2006.



External View of Bio Energy 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.

Other Environmental Activities ▶ Reduction of Waste and Prevention of Pollution

Reducing Food Loss in the Asahi Group's Operational Activities

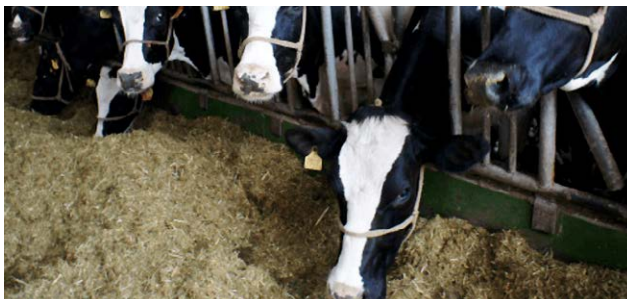
We Encourage the Efficient Use of the Coffee Grounds and Used Tea Leaves Generated in Manufacturing

Asahi Soft Drinks Co., Ltd. develops 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 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 that would be the raw materials for mixed feed. Consequently, they contribute to the reduction of feed costs.



Coffee grounds are used as fuel for biomass power generation.



Used Jurokucha tea leaves are recycled into mixed feed.

Recycling of By-products (Utilization of Fermentation Technologies)

The Asahi Group works to utilize 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 beer manufacturing, and efficiently uses them to feed livestock.

Utilization of Beer Yeast

One by-product of beer-brewing is beer yeast. Post-brewing yeast is used as a raw material for the manufacture of □ **Ebios (Japanese Only)** naturally derived beer yeast tablets, which have been commercially available since 1930. Decomposed yeast extracts are used as raw materials for seasonings and similar products.

Utilization of Beer 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 beer yeast cell wall, a by-product of the brewing process.

Beer yeast, the by-product of beer 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 ten years of study, the Asahi Group succeeded in developing an agricultural material (a fertilizer raw material) that improves the cell walls' absorbability by plants. The Asahi Group developed proprietary technology used to process beer 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 amazingly helped plants extend roots and improved the crops resistance to diseases.

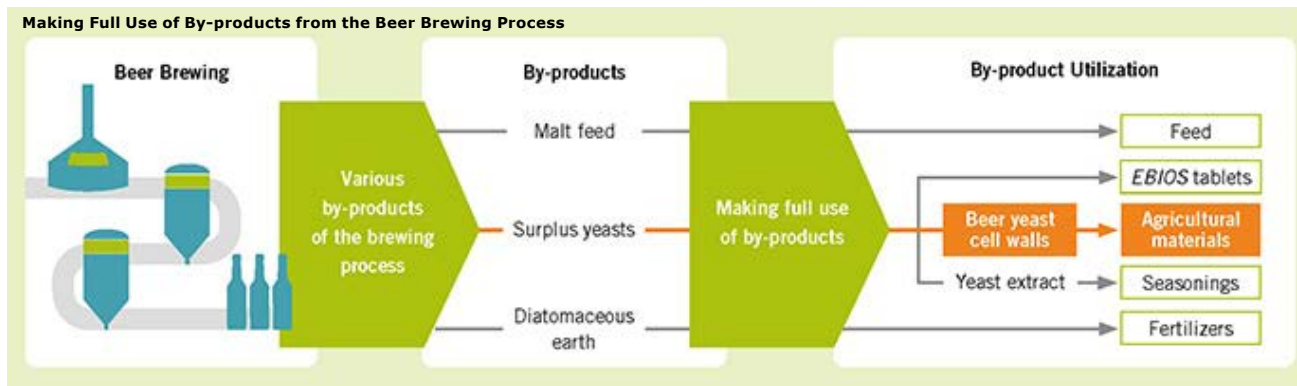
As this agricultural material allows for a reduction in the amount of agricultural chemicals and chemical fertilizer used, it offers peace of mind, safety and potential effects such as enhanced quality and soil improvements. Moreover, the increased crop yields also enable lower greenhouse gas emissions as a percentage of yield, and as such are expected to contribute to sustainable agriculture.



Rice plants using an agricultural supplement made from beer yeast cell walls (right), and conventionally cultivated rice plants (left)

To resolve social problems through our business operations, these agricultural materials are currently available from □ **Asahi Biocycle Co., Ltd.**, a company established. In Japan, they are used by farms, golf courses and natural-grass sports facilities and parks such as baseball fields, including Hanshin Koshien Stadium.

Other Environmental Activities ▶ Reduction of Waste and Prevention of Pollution



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 test-marketed for full-scale commercialization in the future.

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 use cycle circulating food resources by efficiently composting food 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, advancing the speed of decomposition.



The Asahi Group believes that the greater application of Thervelics will reduce the 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 and other achievements.

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 carbon dioxide emissions from the transportation and incineration of kitchen waste by converting waste and leftovers from canteens into compost.

The high-quality, mature compost eventually produced is supplied to farming families, where it is used for growing crops.



Other Environmental Activities ▶ Reduction of Waste and Prevention of Pollution

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 the intestinal flora of livestock. 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 2021. The grain saved could be used as food for people, helping to solve the global food shortage problem. According to Asahi Biocycle Co., Ltd. estimates, assuming CALSPORIN was used for livestock feed worldwide, food for 125 million people could be produced.



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 used to check the quality of our products.

No major leakage accidents of chemical substances occurred in 2021.

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. To provide additional safeguard against any possible leakage of these liquids from tanks and other areas, the Asahi Group has established a system for ensuring 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.

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: t

	2017	2018	2019	2020	2021
NOx	151	157	220	179	177
SOx	12	14	14	13	8

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

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 the Standards for Handling Reagents

Other Environmental Activities ▶ Biodiversity Conservation

Approach

Since the Earth was born, it has given life over this long period of time to many different living things, including humans, which have survived due to their links with each other. The countless bounty that is provided by this biodiversity (ecosystem) is what supports our life and corporate activities.

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.

To practice business activities that show sensitivity to biodiversity, the Asahi Group has put together philosophies and principles that will serve as the foundation of its biodiversity preservation activities. In March 2010, the Asahi Group has formulated and announced the Declaration on Biodiversity as the first of its kind in the domestic alcohol industry.

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

*The “Declaration on Biodiversity” of the Asahi Group was formulated with reference to the Declaration on Biodiversity of the Nippon Keidanren (Japan Business Federation)

Activities for Biodiversity


Evaluation of Risks in 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 Forest (Japanese Only)** owned by Asahi Breweries, Ltd. encompasses more than 2,000 ha and includes about a dozen large and small forests around Shobara City and Miyoshi City in Hiroshima. The Asahi Group has defined three principles with the goal of facilitating compliance with the Declaration on Biodiversity, and the ten 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 designation.



Uphold Respect for Human Rights and Maximize the Potential of People

People

The Asahi Group respects the human rights of its diverse group of stakeholders, including its employees and suppliers, and strictly adheres to fair labor practices.

In addition, the Group is fostering a corporate culture that provides fulfillment to its employees by creating working environments that are rich with diversity and allow employees to grow their talents.

Through such efforts, the Group is striving to bring more fun to the lives of various stakeholders.

Initiatives

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



Respect for Human Rights

Approach

As the human rights of vulnerable people are increasingly threatened by the COVID-19 pandemic, climate change, there is growing interest in companies' efforts to respecting human rights.

As a corporate group that operates its business globally, the Asahi Group considers one of its basic duties to be the respect of human rights for those affected by its activities. ☐ **The Asahi Group Human Rights Principles** clearly state our commitment to respecting individual human rights and diversity, as well as to preventing discrimination, conduct that violates individual dignity and any form of forced labor or child labor.

We are working to establish 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 violation.

Management System

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 violation in all business activities. The human rights issues addressed at this Council are reported to the responsible director (Executive Officer, CHRO, in charge of sustainability), and discussed at the Corporate Strategy Board.

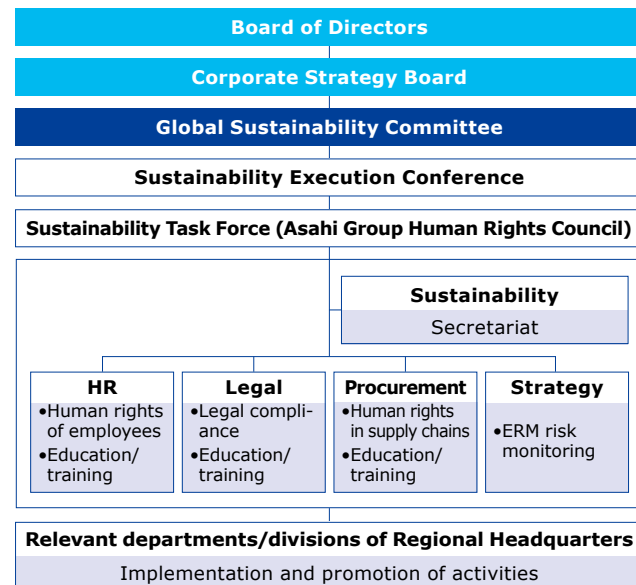
The Board of Directors at Asahi Group Holdings, Ltd. is responsible for overseeing initiatives to respect human rights, and the Human Rights Principles stipulate that the Board of Directors regularly monitor the compliance with the Principles and the progress of the efforts. The CEO is responsible for making the final decision. Every year after the formulation of Human Rights Principles, we report the progress of our efforts to the Board of Directors.

Furthermore, in recognition of the fact that the unlikely event of human rights-related risks being actualized would have

a major impact on the Asahi Group, the state of the Group's response to human rights issues is also regularly reported to the Risk Management Committee which was established under our enterprise risk management system introduced in 2019, and whose membership consists of the CEO, other executive directors and executive committee members nominated by the CEO. 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 Asahi Group Human Rights Principles, we will not take any risks that could prevent us from complying with these important policies.

In terms of specific initiatives, the five departments of Asahi Group Holdings (Strategy, HR, Legal Affairs, Procurement and Sustainability) which constitute the members of the Asahi Group Human Rights Council are working together to promote due diligence with regard to human rights issues. Also, decisions made at this meeting are implemented and promoted in cooperation with the Regional Headquarters in the five functional axes.

Our Organizational Structure in Human Rights Management



Goals

The Asahi Group Philosophy states our mission as “Deliver on our great taste promise and bring more fun to life.” It is impossible to “bring more fun to life” in a society where human rights are not respected. The Asahi Group will comply with Asahi Group Human Rights Principles and work together with stakeholders to reduce human rights risks through our business activities, aiming for a sustainable society in which human rights are realized.

KPI

- KPI

Related SDGs



Related Information

- Human Rights Principles
- Our Human Rights Due Diligence Process
- Consultation Service on Human Rights
- Human Resources Management
- Diversity, Equity and Inclusion
- Safety and Well-being
- Realize Sustainable Supply Chains
- Sustainable Agricultural Raw Materials
- ☐ Risk Management System

Respect for Human Rights ▶ **Human Rights Principles**

Asahi Group Human Rights Principles Formulated

The **Asahi Group Human Rights Principles** (hereafter “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 acting upon a respect for 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, establishing frameworks for receiving reports 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 is to have responsibility for overseeing compliance with the Principles, regularly confirm the status of compliance with the Principles and progress of initiatives.
- The Asahi Group is to have responsibility for continuously tracking and verifying the status of compliance with the Principles, making improvements as necessary, and disclosing the results of their efforts on a regular basis.

Process of Formulating the Principles

The Principles were established through the process outlined below.

1. Identification of Human Rights Issues and Risks

Making reference to all manner of international regulations and standards concerning human rights and labor, 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. Identified 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

3. Assessment of Importance

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

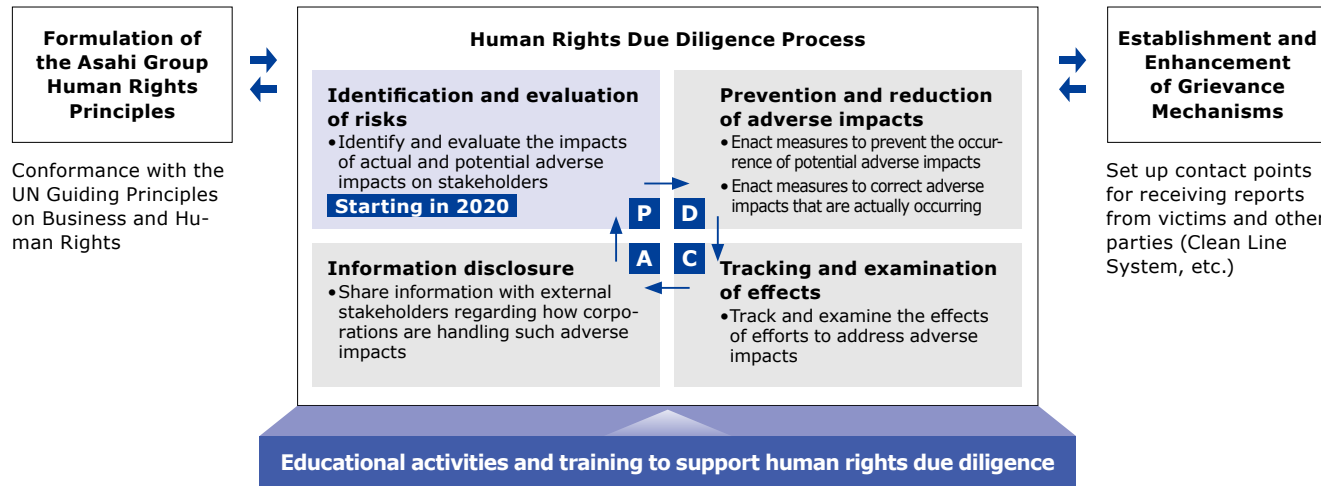
- Supporting the United Nations Global Compact

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

Aims

The Asahi Group implements the following human rights due diligence process in order to respect the human rights of people affected by our business activities. This due diligence process is pursued in accordance with the United Nations' Guiding Principles on Business and Human Rights.

Overall Image of Our Human Rights Due Diligence



Determining Priorities in Responding to Human Rights Risks

When formulating the Asahi Group Human Rights Principles, we identified eight key human rights issues to be tackled in the course of our business activities.

Subsequent gap analysis and best practice case studies on these eight issues revealed the high importance of responding to human rights risks in the “supply chain” and among “Asahi Group employees,” and the need for “development of a framework for remedy to victims of human rights violation.”

The following three high-priority areas have thus been identified, and work is underway on the formulation and implementation of concrete action plans for the short and medium terms.

High-priority Areas:

- Supply Chain
- Employees
- Development and Operation of a Framework for Remedy to Victims of Human Rights Violation

Related Information

- Development and Operation of a Framework for Remedy to Victims of Human Rights Violation

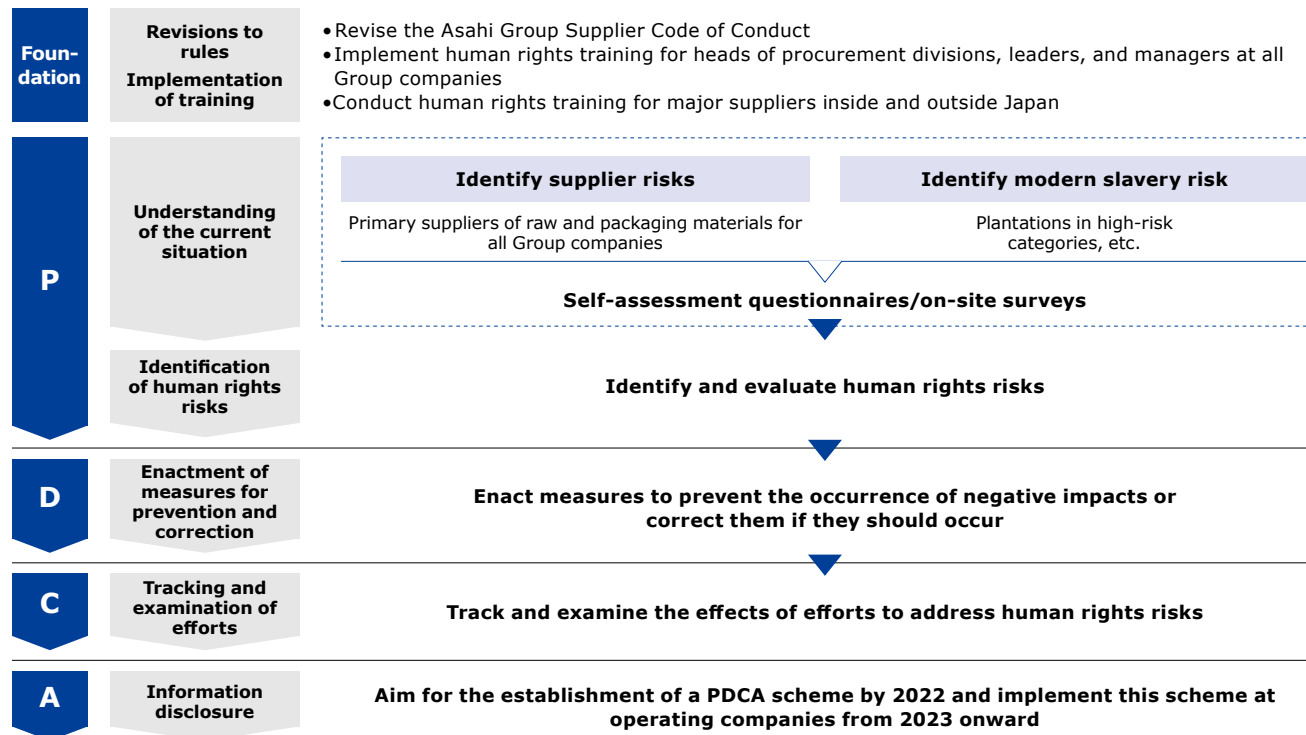
Respect for Human Rights ▶ Our Human Rights Due Diligence Process

Supply Chain

The Asahi Group appreciates the importance of tackling human rights issues in supply chains in the course of its business activities, and has launched a number of initiatives in this area.

Action Plan

- Conducted a human rights due diligence process from two perspectives: 1) human rights risks at the level of 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.
- Complete a full cycle of the human rights due diligence process with suppliers by 2022.
- Revise internal rules and regulations, build supplier management systems, and conduct training for procurement officers and major clients.



Preparation for the Human Rights Due Diligence Process

Analysis of Modern Slavery Risk

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 an "extremely high" risk of modern slavery were coffee, sugar, tea, palm oil and cacao.

Related Information

☐ Results of Modern Slavery Theoretical Risk Analysis

Dialogue with Experts

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

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

Participating in Initiatives and Dialogues with NGOs and Other External Experts in Human Rights

In order to further our effective work on human rights issues in the supply chain, in 2020 we joined The Global Alliance for Sustainable Supply Chain (ASSC). The Asahi Group also participates in the [Platform for Responsible Recruitment of Foreign Workers](#), established by the Japan International Cooperation Agency (JICA) serving as its secretariat, which aims to protect the human rights of foreign workers and improve their working and living conditions, and the [Social Sustainability Working Group](#) of the Consumer Goods Forum Japan Sustainability Local Group. While the working environment of foreign technical intern trainees and other foreign workers in Japan has been criticized both in Japan and abroad for being violation of human rights, we will promote efforts, in cooperation with various organizations to realize “decent work,” that is productive and humane work, for foreign workers.

Furthermore, in 2021, we participated in the [“Stakeholder Engagement Program”](#) hosted by the Caux Roundtable Japan, where we held dialogues with non-governmental organizations (NGOs), non-profit organizations (NPOs) and experts, and participated 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.

Revising the Asahi Group Supplier Code of Conduct

To coincide with the formulation of the Asahi Group Human Rights Principles, in January 2020 we revised the Asahi Group Supplier Code of Conduct. The Asahi Group shares information about various policies with its suppliers at briefings held annually and in other opportunities. In the Asahi Group Supplier Code of Conduct, we call upon 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 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.” We also required our primary suppliers of raw and packaging materials to provide a statement of consent to our new Code of Conduct.

Implementing Human Rights Training

In 2020, we conducted human rights training for the managers and leaders of procurement departments at operating companies in Japan, and also provided e-learning programs for procurement department personnel both in Japan and internationally (176 people eligible; 100% attendance rate).

We sent training materials on sustainable procurement initiatives and global ESG trends including human rights, to all 900 of our continuous primary suppliers in Japan and internationally, enabling them to further their understanding of the Human Rights Principles and Supplier Code of Conduct. We also had them submit their opinions on these materials to serve as a reference point for future policies and responses.

In 2021, we also conducted basic human rights training for employees of production and logistics departments in Japan (nine companies/195 employees) and training for foreign workers (five companies/120 employees). In addition, human rights due diligence training was conducted for heads of production and logistics departments at the head office.

Implementing the Human Rights Due Diligence Process

Engagement with primary suppliers

Fact-finding surveys (questionnaires)

In 2020 we asked all continuous primary suppliers of raw and packaging materials in Japan and abroad to respond

to a Supplier CSR Questionnaire, and received responses from 84% of suppliers. Supplementary questions in this questionnaire were used to check on suppliers’ use of the foreign technical intern system (for suppliers in Japan only), management structures and onsite safety and hygiene conditions in the context of the COVID-19, initiatives to prevent and counteract discrimination related to the virus and establishment of consultation points.

Related Information

● Supplier CSR Questionnaire

Feedback to suppliers

We are providing feedback to all suppliers who responded to the Supplier CSR Questionnaire, showing the gap between the average score and their ranking among the responding companies. The purpose of this feedback is to help suppliers recognize their strengths and weaknesses, and to improve on their weaknesses.

Fact-finding survey (on-site survey)

In 2021, based on the results of the Supplier CSR Questionnaire, we determined the targets of our on-site surveys and conducted such surveys among 12 suppliers in Japan. Although the on-site surveys were conducted online due to the COVID-19 pandemic, the participants provided advice on specific improvements by introducing examples of initiatives at other companies and discussed how to create a working environment that respects human rights and how to further promote and improve ESG initiatives based on the Asahi Group Supplier Code of Conduct. Suppliers were requested to report their response to our requests near one month after the on-site survey. We confirmed by their reports that improvement measures have been implemented or improvement plans are in place. From 2022 on, we will also determine targets based on the results of the CSR Questionnaire and continue to conduct on-site surveys.

In 2020, we joined the Supplier Ethical Data Exchange

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

(Sedex), a non-profit membership organization that provides a supplier ethical information-sharing platform. Going forward, we will also utilize Sedex to confirm the human rights and labor management status of our suppliers, and promote the reduction of human rights risks among our suppliers.

Related Information

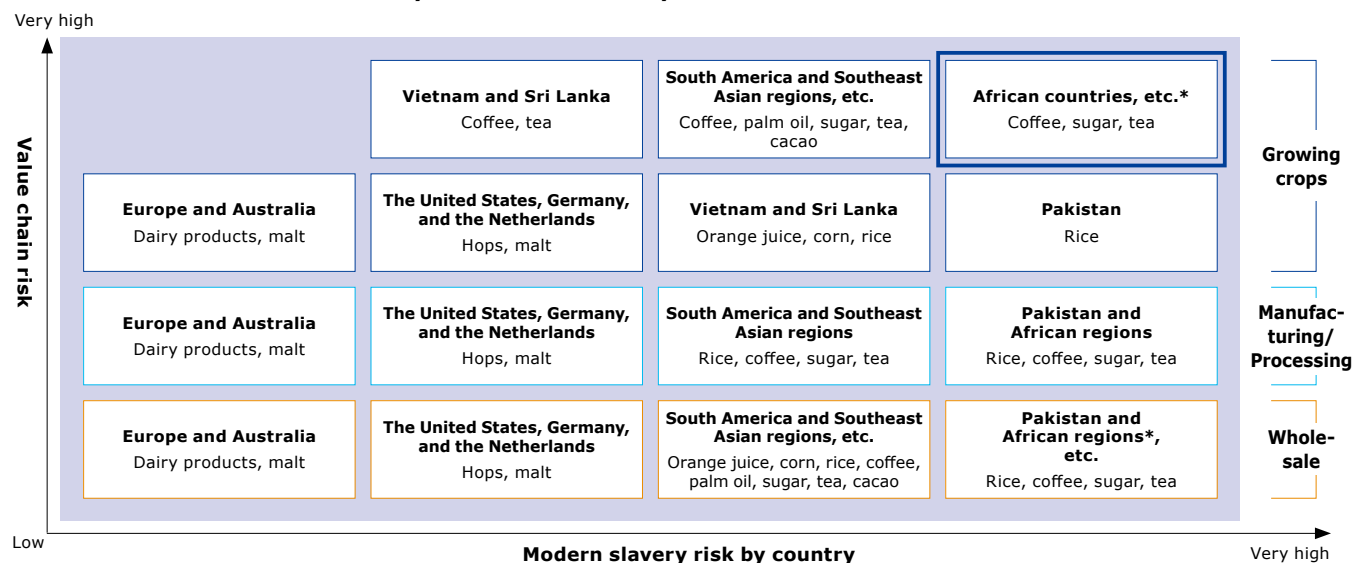
- Promotion of CSR Procurement
- Cooperation with Suppliers

Human rights risk response to high-risk categories (cultivation stage of agricultural products)

Determination of the subject

After confirming actual purchases of high-risk categories (cultivation stage of agricultural products) which were assumed under the modern slavery risk analysis to have high severity and pose a high risk to human rights, we decided to target at coffee bean cultivation in Ethiopia and Tanzania for our human rights due diligence process. We have agreed to work with ASSC to identify specific human rights risks, and began our initiatives in 2021.

Main Raw Materials Procured: Analysis of Modern Slavery Risk



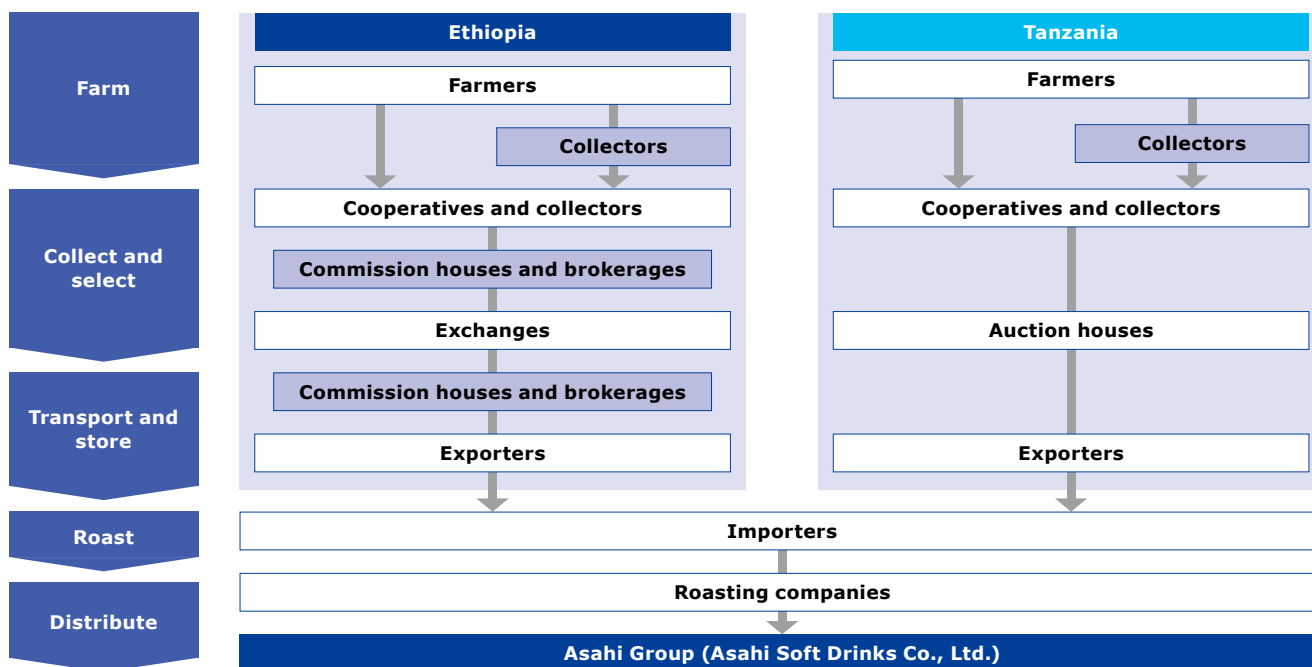
*Ethiopia, Tanzania, Egypt, and Kenya

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

Confirmation of procurement channels

Prior to identifying human rights risks, we confirmed 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.

Major Coffee Bean Sourcing Channels in Ethiopia and Tanzania



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	Labourers	Small holders	Internally displaced persons and refugees	
Conflict	E	E	E	E	E	E	
Child labor	E T						
Low and unpaid work	E T	E T	E T		E T	E	
Seasonal and informal work	E T		E T		E T	E	
Gender income disparity	E T						
Types of work	E T	E T	T		T		
Environment	E T	E T	E T	E T	E T	E	

* E Ethiopia T 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 ▶ Our Human Rights Due Diligence Process

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 farmers
- 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 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 Company	Major customers of the Asahi Group importing coffee beans	Sections in charge, etc.
Exporters	Companies transporting coffee beans to import trading companies (one company each from Ethiopia and Tanzania)	Business managers, etc.
Rainforest Alliance	NGOs that provide 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

Stakeholders	Description	Interviewees
Fairtrade Africa	NPOs that support 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 of Tanzania
Agricultural Cooperatives	Agricultural cooperatives in Tanzania	Cooperatives 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.

Initiatives of each Regional Headquarters

- Asahi Europe & International Ltd. and Asahi Holdings (Australia) Pty Ltd. implement human rights due diligence on forced labor and human trafficking in their operations and supply chain, and have disclosed statements in response to the Modern Slavery Act.
- Through human rights due diligence, Asahi Europe & International Ltd. has formulated and implemented processes for identifying potential risks of forced labor and human trafficking, assessing such risks, and taking preventive measures.
- The analysis by Asahi Holdings (Australia) Pty Ltd. indicated that agricultural supplies pose the most salient risk of modern slavery in the supply chain. A questionnaire was sent to primary suppliers and contractor representatives in 2020 to assess the risk, and approximately 4% of suppliers that responded questionnaires were found to be at risk. Therefore, further analysis and mapping is planned to be conducted. In 2020, to encourage our suppliers to address human rights issues, we included compliance with the Modern Slavery Act and Supplier Code of Conduct in our standard contracts with all suppliers, as well as an agreement to have the right to terminate the contract in the event of breach of our policies.
- We have begun to ascertain the actual status of our contract manufacturing plants and logistics partners in Japan by using the Supplier CSR Questionnaire. 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

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

Employees

The Asahi Group appreciates the importance of human rights initiatives among its employees and is introducing such initiatives as part of its business activities. 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.

Action Plan

- Implement human rights initiatives initially for employees in Japan, where Asahi Group Holdings, Ltd. is located, then use the insights gained therefrom to extend our initiatives beyond Japan.
- Prioritize our response to the risk of forced labor and realization of freedom of association within Japan—issues that gap analysis has identified as requiring attention.
- Use the results of compliance, engagement surveys, and the internal Clean Line System to address human rights risks at an early stage.
- Ascertain the status of initiatives in group companies outside Japan, and strengthen employees' implementation of the human rights due diligence process and human rights education for employees.

Activities to Prevent the Use of Forced Labor

In 2020, together with ASSC, we conducted a labor conditions survey and interviews with 40 technical interns 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 the findings by the ASSC in 2021. Examples of areas for improvement are as follows.

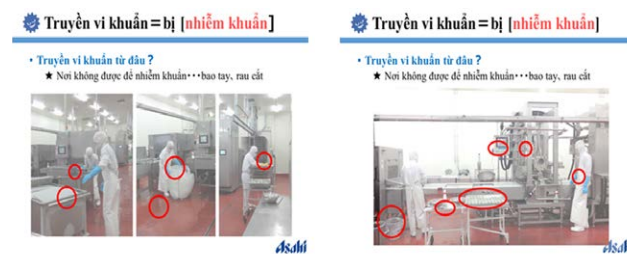
1: Posting notices and creation of cards with emergency contact information and dormitory addresses



2: Posting notices about sanitary management precautions and company regulations in the native language



3: Posting notices in the operation of equipment in the native language



4: Lending of learning materials to help trainees improve their Japanese language skills



This series of efforts was recognized as excellent activities 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.

Realizing Freedom of Association

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, 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 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. Toward reduction in human rights risks, we continue to work on it every other year as a guideline.

Response to the COVID-19 Pandemic

The Asahi Group publicly proclaims its commitment to respecting human rights, regardless of the impacts of the COVID-19 pandemic. We are taking a wide range of measures as shown below.

Respect for Human Rights ▶ Our Human Rights Due Diligence Process

- We believe that the top priorities for respecting human rights in the context of COVID-19 are “health and safety of employees and their families,” “support for stakeholders,” and “support for local communities.” The CEO of Asahi Group Holdings, Ltd. has declared this position and conveyed it to all employees of the Group. Management teams in regional headquarters have also been instructed to offer support to stakeholders and local communities.
- Since the start of the COVID-19 outbreak, we have been working from day to day to gather local information related to the virus. Human rights issues that have become apparent in this process, and proposed responses thereto, have been reported to the Directors responsible for human rights. The content of these reports has provided the basis for discussions in the Corporate Strategy Board and Board of Directors, and the pursuit of initiatives for the respect of human rights.
- Asahi Group Holdings, Ltd. Global Headquarters HR, Japan Headquarters Human Resources Department, and the Asahi Group Workers’ Union Council (which is composed of the major labor unions at operating companies in Japan) have exchanged opinions based on requests, complaints, and other feedback from union members with regard to the COVID-19 pandemic, and the current conditions faced by union members.
- Similar exchanges are being conducted between labor and management in each group company. In Asahi Breweries, Ltd., for example, the President and Human Resources Department are engaged in discussions with the Asahi Breweries Labor Union on matters such as work styles during and after the pandemic.
- Envisaging that the pandemic would have an especially adverse impact on employees caring for children and

non-regular employees, we have granted special paid leave and wage compensation for dispatched workers and contract workers within Japan. For employees raising children before entering junior high school, if their children unable to receive regular childcare or education because their children’s school or daycare provider have been closed due to COVID-19, a subsidy of 5,000 yen per day is provided for childcare services or house-keeping services up to 50 days.

- We monitored the conditions of foreign technical interns employed by Asahi Group Foods, Ltd. Owing to uncertainty over the recommencement of return flights for interns whose contracts had expired, we extended employment periods based on their will so that the interns would not be left without income.

Related Information

- ☐ How We Are Responding to COVID-19

Internal Infiltration of Human Rights Policy
In-house human rights education

We are implementing training for employees in order to ingrain the Asahi Group Code of Conduct and the Asahi Group Human Rights Principles. In conjunction with World Human Rights Day on December 10, 2021, a training video by the top management of Asahi Group Holdings, Ltd. was distributed to all employees. The CEO presented a message on human rights to Group employees in Japan and abroad, and the CHRO introduced actions that each employee should take as a human rights holder and actual cases of human rights violations that have occurred around the world. In 2022, we are conducting human rights training in line with the Asahi Group’s eight human rights issues, with “Discrimination and Harassment” as the theme in the first half of the year and “Forced Labor and Child Labor” in the second half.

Related Information

- ☐ Compliance Promotion
- Empowering Human Resources from Diverse Backgrounds

Dialogue on human rights between top management and experts

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 as such problems occur, and to 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 dialogues, discussions are held at the Corporate Strategy Board few times 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 whom and for what respect for 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

Respect for Human Rights ▶ Consultation Service on Human Rights

Approach

In case it becomes clear that the Asahi Group caused or was directly involved in any adverse effects on human rights, we will work on the relief 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 Japanese domestic suppliers. In Japan, 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 audit 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 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.

In fiscal 2021, through a whistle-blowing system for employees in Japan, 12 reports were made concerning human rights-related harassment and bad behaviors.

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 the problems or 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 (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 Group companies once a year to learn their awareness of the Clean Line System (includ-

ing 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 highest in the number of cases reported in Japan, training has been conducted under the supervision of a lawyer instructor for human resources and general affairs personnel and crisis management personnel of Group companies since 2020.

Related Information

- ☐ Clean Line System
- Procurement Clean Line System
- ☐ Comments/Questions

Diversity, Equity and Inclusion

Approach

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

In compliance with the [People Statement](#), a Diversity, Equity and Inclusion Statement was established in March 2021 to facilitate the sharing of values and ideas on Diversity, Equity and Inclusion at a global level and to advance our activities accordingly. Respecting diverse cultures, ethnic groups, genders and individualities all over the world, each one of our staff members endeavors to create an environment that allows them to continue to pursue ambitious goals.

The Asahi Group 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 activate various activities by using “shine AS YOU ARE” as the axis of communication within the company.

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.

Management System

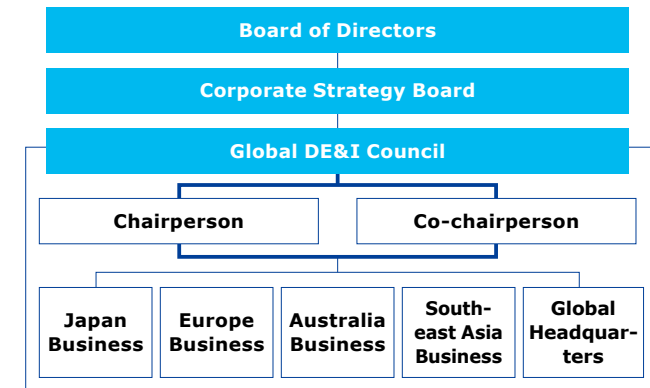
Management System of Entire Asahi Group

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 areas. 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 (January 2022). 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 item, review the personnel system aiming to strengthen fairness, etc., expand development training, and work to create an inclusive culture. In addition, it is responsible for establishing a fair process for these efforts while also monitoring progress 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 Human Resources Department, and the presidents of its major companies in Japan. These individuals are responsible for making decisions on policies for activities in Japan. To reflect diverse opinions, we have also established “DE&I Supporters,” a group that consists of voluntary employees from operating companies under the Asahi Group Japan, Ltd. This Group aims to collect opinions and reflect them in our measures.

Diversity, Equity and Inclusion

DE&I Promotion Structure (in Japan)



Goals

In promoting DE&I, the Asahi Group has made a strategic decision to start with gender balance and has set a goal of increase 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.

KPI

● KPI

Related SDGs



Related Information

- Empowering Human Resources from Diverse Backgrounds
- Supporting Diverse Ways of Working
- Status of Employment
- Respect for Human Rights
- Human Resources Management
- For Employee Health

Diversity, Equity and Inclusion ▶ Empowering Human Resources from Diverse Backgrounds

The Asahi Group promotes diversity, equity and inclusion 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.

Global KPI

The Asahi Group is promoting activities with the goal of increasing the percentage of female representation to 40% by 2030.

*Target: Asahi Group Holdings, 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.)

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 as an Outside Director and Ms. Yumiko Waseda 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 for 2021 is "Choose To Challenge," and the Asahi Group has created a video message in which the Executive Officers of each company declare to their employees that they respect employees' courage in raising their hands, letting their voices be

heard, and actively challenging themselves. We will also continue to hold annual events to help employees learn more about gender.

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.

Training to Support the Success of Women

In the **Major Asahi Group Companies**, 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	Help 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	To help female employees learn the knowledge and skills required of leaders
Dispatching female employees to external training	For female employees from all levels

Raising Awareness

Raising Awareness among Employees

The Asahi Group works to raise employees' awareness with the aim of promoting understanding of Diversity, Equity and Inclusion 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 Diversity, Equity and Inclusion.

Raising Awareness among Managerial Employees

Major Asahi Group Companies provide their managerial-level employees with e-learning and training programs on Diversity, Equity and Inclusion 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 Diversity, Equity and Inclusion for improving the corporate value.

Raising Awareness among New Line Heads

Major Asahi Group Companies provide newly appointed line heads with training for new line heads, through which the company raises their awareness of Diversity, Equity and Inclusion. In this training, 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 Diversity, Equity and Inclusion for improving the corporate value.

Sign the 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.

Diversity, Equity and Inclusion ▶ Empowering Human Resources from Diverse Backgrounds

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 are offering e-Learning on basic knowledge of human rights and LGBT to our operating companies in Japan and 9,974 officers and employees have taken the e-Learning. Workshops on LGBT issues were also held in 2020 and 2021, with a total of 93 participants.

Nationality

Commitment to the Hiring of Local Employees

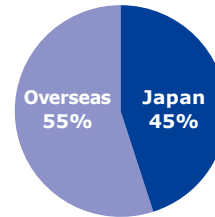
The Asahi Group has set "Communities" as one of its material issues and is working to solve local issues through its business in various parts of the world, with the key initiative, “Realize Sustainable Communities through the Creation of People-to-People Connections”.

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

Status of Overseas Employees

Of the approximately 30,000 total employees of the Asahi Group, approximately 54% are based overseas. The Asahi Group is also committed to sourcing personnel from overseas 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 in Japan and Overseas



*Scope of aggregation: Entire Asahi Group (Click here for more information)
*Target period: As of the end of December, 2021

Related Information

- Human Resources Development of the Asahi Group

Age

• **Major Asahi Group Companies** 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 proceed with the determination of the employee’s intention and assignment planning from an early stage in order to promote smooth reemployment. Therefore, each of the **major group companies** has introduced a Job Match Support System in which employees who are 58 years or older are consulted on their preferences for re-employment, 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.

Percentage of Employees with Disabilities

	2017	2018	2019	2020	2021
Asahi Breweries, Ltd.	2.4%	2.3%	2.3%	2.2%	2.2%
Asahi Soft Drinks Co., Ltd.	2.2%	2.2%	2.2%	2.5%	2.0%
Asahi Group Foods, Ltd.	1.9%	2.2%	1.8%	2.2%	2.3%
Asahi Logistics Co., Ltd.	2.4%	2.3%	2.3%	2.2%	2.1%
Entire Group	-	-	-	1.2%	1.4%

*Target period: As of the end of December, 2021

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

Diversity, Equity and Inclusion ▶ Empowering Human Resources from Diverse Backgrounds

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

Major Asahi Group Companies 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 action for willingly interacting with elderly, 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

	2017	2018	2019	2020	2021
Level 3	105	153	206	89	531
Level 2	42	29	31	N/A	N/A

*Scope of aggregation: Major Asahi Group companies (Click here for more information)

*Target period: As of the end of December, 2021

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

Others

Second Job System

Asahi Breweries, Ltd. has introduced the Second Job System, which permits employees to have second jobs under specific conditions. This system is aimed at encouraging employees to display their capabilities in conducting business, skills, and expertise that they have cultivated.

Training Program on Discrimination for New Recruits

To eradicate discrimination, Asahi Breweries, Ltd. provides its new employees with anti-discrimination training in April each year. In the training, new employees view an educational video which is used to promote understanding of discrimination issues, and have discussions to deepen their awareness of the issues.

Number of Participants in Anti-discrimination Training

	2017	2018	2019	2020	2021
Number of participants	81	93	90	91	228

*Scope of aggregation: 2017~2020: Asahi Breweries, Ltd.

2021: Major Asahi Group companies (Click here for more information)

*Target period: As of the end of December, 2021

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 wellbeing 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 2021, about 10,000 employees attended.

We also provide newly appointed managerial 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

Our Human Rights Due Diligence Process

External Evaluation

Nadeshiko Brand

Asahi Group Holdings, Ltd. was selected as a Nadeshiko Brand for the 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. was 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.



Diversity, Equity and Inclusion ▶ Empowering Human Resources from Diverse Backgrounds

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 next-generation raising support. Asahi Breweries, Ltd. was granted the Certification Mark both in 2007 and 2010.

Furthermore, since April 2015, the Platinum Kurumin Certification Mark was introduced to recognize companies implementing high standard initiatives who had 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



Diversity, Equity and Inclusion ▶ Supporting Diverse Ways of Working

At the Asahi Group, we believe that the creation of a work environment where all employees can work safely 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 work-life balance so that employees can continue to work energetically while striking a balance between work and private life.

Supporting Diverse Ways of Working

Major Asahi Group Companies 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 workstyles, the Asahi Group adopts a system to enable employees to draw up diverse plans for their careers and to divert them from 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 workstyle suitable for their life stage. As a result, in 2021, the return rate for employees after taking childcare leave at Asahi Breweries, Ltd. remains at 22.9%. And the utilization rate of childcare leave (including his spouse's maternity leave) by males at Asahi Breweries, Ltd. is 100%.

Asahi Breweries, Ltd.

- Asahi Group HR personnel are interviewing 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 are interviewing maternity and childcare leave system users before they return to work. The officers are preparing the system users for their return through careful interviews on their wishes regarding job details and their present living conditions.

Facts about Utilization of Related Systems

Childcare Leave System and Family Care Leave System

		2017	2018	2019	2020	2021
Acquisition rate of childcare leave system	Male	73%	71%	83%	62.5%	54%
	Female	100%	100%	100%	100%	100%
Number of days for taking childcare leave system	Male	8.1	9.6	4.9	5.5	23.3
	Female	440	361	341	369	287
Number of Childcare Leave System users	Male	6	5	5	6	55
	Female	58	57	65	56	58
	Total	64	62	70	62	113
Number of Family Care Leave System users	Male	0	0	1	0	0
	Female	1	0	1	0	1
	Total	1	0	2	0	1

*Male childcare leave acquisition rate and number of childcare leave acquisition days include spouse maternity leave
 *Scope of aggregation: Asahi Breweries, Ltd.
 *Target period: As of December, 2020

Employee Support Systems for Childbirth, Childcare, and Family Care

System	Contents	Number of Users (2021)
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.	24
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.	49 (including 16 men)
Spousal Childbirth Leave System	A system whereby employees may take leave at the time their spouse gives birth. Up to five days leave may be taken at full pay.	73
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.	111 (including 15 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.	4
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 had 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)

Diversity, Equity and Inclusion ▶ Supporting Diverse Ways of Working

System	Contents	Number of Users (2021)
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)	11
Senior Staff System (full time and part time)	Retired employees who wish to be re-employed are assigned full-time or part-time work. (Age limit: 65)	224
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.	2,672 (Facts for December 2021)

*Scope of aggregation: Asahi Breweries, Ltd.

Activities Relating to Work Hours

To create a corporate culture that enables employees to work in good health, **major Asahi Group Companies** 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.

Diversity, Equity and Inclusion ▶ Status of Employment

The main items of data about employees in the Asahi Group are as follows.

Number of Employees

	2017	2018	2019	2020	2021
Number of regular employees	30,864	28,089	29,327	29,850	29,878

*Scope of aggregation: Entire Asahi Group (Click here for more information)

*Target period: As of the end of December, 2021

Breakdown of the Status of Employment

The Asahi Group

		2017	2018	2019	2020	2021	
Regular employees	Male	Number of employees	23,261	21,330	22,269	22,684	22,397
		Ratio	75%	76%	76%	76%	75%
	Female	Number of employees	7,603	6,759	7,058	7,166	7,481
		Ratio	25%	24%	24%	24%	25%
	Total	Number of employees	30,864	28,089	29,327	29,850	29,878
		Average number of years of continuous employment (years)	Male	11.2	12.4	11.8	10.1
		Female	9.2	9.2	8.8	8.8	9.4
		Total	10.7	11.7	7.8	10.0	10.4
	Temporary employees	Number of employees (yearly average)	7,455	6,613	6,669	6,848	6,665

*Scope of aggregation: Entire Asahi Group (Click here for more information)

*Target period: As of the end of December, 2021

Asahi Group Holdings, Ltd.

		2017	2018	2019	2020	2021
Regular employees	Male	208	220	124	242	259
	Female	66	67	31	71	77
	Total	274	287	155	313	336

Asahi Group Companies in Japan

		2017	2018	2019	2020	2021
Number of employees	Male	5,512	6,009	5,780	5,884	5,777
	Female	1,188	1,565	1,204	1,240	1,293
	Total	6,700	7,574	6,984	7,124	7,070
Average age		42.5	41.9	42.4	42.7	43.3
Number of employees who resigned voluntarily	Male	72	86	64	48	59
	Female	20	30	22	22	9
	Total	92	116	86	70	68
Voluntary resignation rate	Male	0.59%	0.63%	1.06%	0.86%	1.02%
	Female	1.39%	1.95%	1.85%	1.23%	0.70%
	Total	0.73%	0.85%	1.46%	0.92%	0.96%
Average number of years of continuous employment (years)	Male	15.0	14.4	17.8	14.3	17.8
	Female	11.0	9.1	14.9	12.6	15.0
	Total	13.9	13.1	17.3	14.0	17.3
Part-time employees	Number of employees	4,225	3,306	3,811	3,957	2,108

*Scope of aggregation: Major Asahi Group Companies (Click here for more information)

*Target period: As of the end of December, 2021

*In 2021, companies subject to disclosure account for 54% of the entire Group (based on revenue).

Number of Employees by Age

	Male	Female	Total
Younger than 30	806	259	1,065
30-39 years of age	1,080	315	1,395
40-49 years of age	1,909	342	2,251
50-59 years of age	1,991	352	2,343
60 years of age or older	16	0	16
Total	5,802	1,268	7,070

*Scope of aggregation: Major Asahi Group Companies (Click here for more information)

*Target period: As of the end of December, 2021

Number of New Hires

Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., 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.

		2017	2018	2019	2020	2021
Asahi Breweries, Ltd.	Male	50	54	49	51	30
	Female	18	24	23	17	19
	Total	68	78	72	68	49
Asahi Soft Drinks Co., Ltd.	Ratio of Female	26%	31%	32%	25%	39%
	Male	27	25	28	24	12
	Female	13	13	15	17	10
Asahi Group Foods, Ltd.	Total	40	38	43	41	22
	Ratio of Female	33%	34%	35%	41%	45%
	Male	10	9	12	12	13
Total of three companies above	Female	8	9	11	9	12
	Total	18	18	23	21	25
	Ratio of Female	44%	50%	48%	43%	48%
New graduates	Male	87	88	89	87	55
	Female	39	46	49	43	41
	Total	126	134	138	130	96
Mid-career hires	Ratio of Female	31%	34%	36%	33%	43%
	Male	33	41	44	33	28
	Female	1	4	3	3	7
Five major Asahi Group companies in Japan	Total	34	45	47	36	35
	Ratio of Female	3%	9%	6%	8%	20%

*General service positions for new graduates (excludes technical positions)
*Click here for more information

Diversity, Equity and Inclusion ▶ Status of Employment

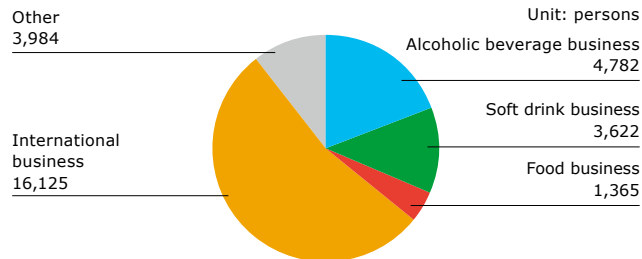
Number of Employees by Region

	2017		2018		2019		2020		2021	
	Number of em- ployees	ratio of em- ployees	Number of em- ployees	ratio of em- ployees	Number of em- ployees	ratio of em- ployees	Number of em- ployees	ratio of em- ployees	Number of em- ployees	ratio of em- ployees
Japan	12,988	42.1%	13,204	47.0%	13,353	45.5%	13,565	45.4%	13,441	45.0%
North America	75	0.2%	83	0.3%	86	0.3%	100	0.3%	74	0.2%
Europe	9,002	29.2%	9,146	32.6%	9,825	33.5%	9,787	32.8%	9,159	30.7%
China	1,771	5.7%	508	1.8%	523	1.8%	525	1.8%	335	1.1%
Asia besides China	5,029	16.3%	3,016	10.7%	3,396	11.6%	2,341	7.8%	2,413	8.1%
Oceania	1,999	6.5%	2,132	7.6%	2,144	7.3%	3,532	11.8%	4,446	14.9%
Other	-	-	-	-	-	-	-	-	8	0.0%
Total	30,864	100%	28,089	100%	29,327	100%	29,850	100%	29,876	100.0%

*Scope of aggregation: Entire Asahi Group (Click here for more information)

*Target period: As of the end of December, 2021

Number of Employees by Segment



*Scope of aggregation: Entire Asahi Group (Click here for more information)

*Target period: As of the end of December, 2021

Breakdown of Managerial Positions

The Asahi Group

	2017	2018	2019	2020	2021
Directors					
Male	382	346	267	473	331
Female	15	14	13	74	89
Total	397	360	280	547	420
Audit & Supervisory Board Members					
Male	56	52	49	43	39
Female	1	1	2	3	6
Total	57	53	51	46	45
Corporate Officers					
Male	133	129	129	161	176
Female	7	8	22	30	47
Total	140	141	151	191	223
In Managerial Positions					
Male	5,399	5,611	5,685	6,231	6,450
Female	1,166	1,327	1,456	1,669	2,022
Total	6,565	6,938	7,141	7,900	8,472
Manager level (including Senior Officers)					
Male	569	559	652	672	659
Female	86	108	112	97	123
Total	655	667	764	769	782
Section Chief Level					
Male	4,830	5,052	5,033	5,559	5,615
Female	1,080	1,219	1,344	1,572	1,852
Total	5,910	6,271	6,377	7,131	7,467
Female managerial position ratio	17.5%	18.9%	20.4%	21.0%	23.9%

*The "female managerial position ratio" shows the ratio of women who are executives or in managerial positions.

*Scope of aggregation: Entire Asahi Group (Click here for more information)

*Target period: As of the end of December, 2021

Asahi Group Holdings, Ltd.

	2017	2018	2019	2020	2021
Corporate Officers					
Male	8	11	15	17	23
Female	0	1	1	0	0
Total	8	12	16	17	23
In Managerial Positions					
Male	151	164	93	174	184
Female	18	17	14	33	34
Total	169	181	107	207	218
Manager level (including Senior Officers)					
Male	10	11	10	21	12
Female	2	1	1	2	1
Total	12	12	11	23	13
Section Chief Level					
Male	141	153	83	153	172
Female	16	16	13	31	33
Total	157	169	96	184	205
Female managerial position ratio	10.2%	9.3%	12.2%	14.7%	14.1%

*The "female managerial position ratio" shows the ratio of women who are executives or in managerial positions.

Diversity, Equity and Inclusion ▶ Status of Employment

Asahi Group Companies in Japan

		2017	2018	2019	2020	2021
Directors	Male	30	33	32	24	27
	Female	2	1	2	1	1
	Total	32	34	34	25	28
Audit & Supervisory Board Members	Male	11	12	12	11	9
	Female	1	1	1	2	3
	Total	12	13	13	13	12
Corporate Officers	Male	47	49	46	49	39
	Female	0	1	3	2	17
	Total	47	50	49	51	56
In Managerial Positions	Male	2,450	2,465	2,381	2,432	2,399
	Female	218	227	232	254	270
	Total	2,668	2,692	2,613	2,686	2,669
Manager level (including Senior Officers)	Male	185	196	246	248	229
	Female	5	7	6	7	10
	Total	190	203	252	255	239
Section Chief Level	Male	2,265	2,269	2,135	2,184	2,170
	Female	213	220	226	247	260
	Total	2,478	2,489	2,361	2,431	2,430
Female managerial position ratio		8.0%	8.0%	9.6%	9.4%	10.5%
Number of managers	Male	83	100	92	108	103
	Female	19	24	20	21	24
	Total	102	124	112	129	127
Number of candidates for managerial positions (equivalent to assistant section chief and deputy section chief)	Male	2,149	2,172	2,469	1,860	1,873
	Female	469	651	646	541	547
	Total	2,618	2,823	3,115	2,401	2,420

*The "female managerial position ratio" shows the ratio of women who are executives or in managerial positions.

*Scope of aggregation : Major Asahi Group Companies (Click here for more information)

*Target period : As of the end of December, 2021



Connect People to Realize Vibrant Communities

Communities

Changes in social trends have resulted in the weakening of “connections” between people and between people and communities, creating a variety of local issues. By providing the alcohol, beverages, and food products that are indispensable elements in places where people can gather and talk, and by engaging in co-creation and social activities with stakeholders, the Asahi Group creates various places where people can feel “connected” to each other. We aim to realize a “bring more fun to life” by taking on the role of creating happy times, rather than just consuming products as goods.

Key Initiatives

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



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

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 enjoyed the support of local communities over its long history. Based on the belief that is important to reevaluate and once again promote various kinds of connections. We established "RE:CONNECTION" as the slogan of our activities toward the material issue of "Communities" and has promoted the initiatives. Through the resources and technologies of the Group, we will reevaluate and further promote connections between people, people and communities, and communities and other communities as we work to resolve the wide range of issues facing local communities. By doing so, we will create and share enjoyable experiences with local community members and contribute to the realization of sustainable communities.

Management System

The Asahi Group holds Community Task Forces four times a year, with Sustainability of Asahi Group Holdings, Ltd. serving as the secretariat, and with the participation of personnel from each Regional Headquarters. These task forces discuss

issues related to community policies and share community best practices throughout the Group.



Goals

The Asahi Group has been able to achieve sustainable growth thanks to the blessings of nature. In light of this, we have established "Food," "Regional Environment," and "Disaster Relief" as three Group-wide focus areas for our material issue of "Communities". Each of these areas is highly relevant to our business strategy, as described below, and we will work to resolve regional issues through our business.

Food: The Asahi Group's main business areas are alcoholic 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 "blessings of nature" and with consideration for the "regional environ-

ment" 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.

KPI

● KPI

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 ▶ **Activities**

The Asahi Group has set the three focus areas for our community activities, "Food", "Regional Environment" and "Disaster Relief", and is promoting activities that create connections.

Food

Barley-of-Hope Project (Japan)

The **Barley-of-Hope project (Japanese only)** is an Asahi Group activity assisting the reconstruction of Higashi Matsuyama City in Miyagi prefecture, which was damaged by the Great East Japan Earthquake. To generate livelihoods 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.

The Barley-of-Hope Project yielded 84.4 tons of barley in 2021. Asahi Breweries, Ltd. released the Clear Asahi Gift of Tohoku (distribution limited to six prefectures in Tohoku)



Agriculture Support Using By-Products (Japan)

Asahi Biocycle Co., Ltd. is developing agricultural materials (fertilizer materials) derived from "**Brewing Yeast Cell Walls**," a byproduct 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 material 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 damage from feeding damage was suppressed by the use of the agricultural materials

Launch of "Kuramae BLACK," a craft beer utilizing discarded coffee beans (Japan)

Asahi You. Us, Ltd., a new company with a focus on sustainability business under the umbrella of Asahi Group Japan, launched the craft beer "Kuramae BLACK" in July 2021, utilizing coffee beans that would have otherwise been discarded. "Kuramae BLACK" is a craft beer produced at Asahi You. Us, Ltd.



"FOR HOPS": A project to support hop farmers (Czech Republic)

Przeňský Prázdňoj, an operating company in the Czech Republic under the umbrella of Asahi Europe and International, 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 his-

Realize Sustainable Communities through the Creation of People-to-People Connections ▶ Activities

tory stretching back more than 1,000 years, but climate change has led to a decline in harvest volume and quality in recent years. To solve this problem, experts from various industries, including PrzeŃský Prázdlož, software industry giant Microsoft Corporation, and Agri-Techture, a consulting firm that applies innovative technology to the agricultural sector, have joined forces to work on improving hop productivity. 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 proprietary software to process and evaluate these data, Microsoft and Agri-Techture can determine exactly what is needed for hop growth. The developed software will be made available to hop farmers as a mobile app, so that in the future, hop farmers will be able to see on their smartphones when and how much irrigation is needed to maximize hop growth in individual areas of their large fields. Hops are an essential ingredient in the production of beer. Through the "FOR HOPS" initiative, PrzeŃský Prázdlož intends to promote sustainable agricultural raw materials and contribute to the revitalization of communities in the Czech Republic, one of the world's leading hop-producing countries.



Participation in the Young People's International Project, LEAD 2030, Towards the Achievement of the SDGs (Europe)

Asahi Europe and International (AEI) participated in LEAD 2030, an international project to support youth-led efforts to realize the Sustainable Development Goals (SDGs) in 2020, and supported a project on Goal 13 "Concrete action on climate change."

The project called for proposals on sustainable agriculture to support farmers, and AEI provided the winners with \$50,000 grant and mentorship from AEI's top management to help them implement their projects.

Donation to Foodbanks (Australia)

Since 2009, Asahi Beverages Pty Ltd., a group company of Asahi Holdings (Australia) Pty Ltd. has been a proud partner of Foodbank Australia, Australia's largest food relief organization. Foodbank Australia distributes food to Australians in need of assistance via 2,400 front line charities and 2,000 schools. The company is very proud to have donated more than 6.1 million liters of product in support of the efforts of Foodbank Australia over the past decade.

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 support people who want to start dairy farming as a mechanism stabilizing the income of dairy farmers.

Regional Environment

Forest Preservation Activities at Water Producing Sites

Water is an important resource that is essential for the business of the Asahi Group. Accordingly, the Asahi Group has positioned the use of sustainable water resources as an activity theme in its Environmental Vision and is 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 "we will preserve the water that we use". After this start, these activities were expanded to all breweries, and are currently being implemented at nine sites throughout Japan. They also encompass the Forest of Nikka located near Yoichi Distillery, the Hokkaido Plant of The Nikka Whiskey Distilling Co., Ltd.; the Sendai Plant of The Nikka Whiskey Distilling Co., Ltd.; and Wakochan Forest of Asahi Group Foods, Ltd. in Yaita-shi, Tochigi Prefecture.

In 2021, we started new "Water Source Forest Conservation Activities" at Gunma Plant, Akashi Plant, and Fujisan Plant. Overall, the Asahi Group had conducted 194 forest preservation activities in 16 locations in Japan by the end of 2021, including the participation of nearly 8,662 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.

Realize Sustainable Communities through the Creation of People-to-People Connections ▶ Activities

These initiatives are also expanding and leading to opportunities for participation by not only company-related persons but also local residents.



Planting During a Forestation Activity of the Okayama Factory of Asahi Soft Drinks Co., Ltd.

Participation in the FUZOROI STRAW PROJECT, which aims to expand the use of wheat straws (Japan)

Asahi You. Us, Ltd. is participating in the FUZOROI STRAW PROJECT, run by the Organization for Promotion of Wide-Area Cooperation Projects. Wheat straws were used before plastic straws found widespread use, and the company aims to contribute to reducing waste and solving the plastic problem by expanding the production and use of straws of natural origin. In the straw production and manufacturing process, some parts are outsourced to welfare organizations and employment support facilities to promote agricultural and welfare co-



operation aimed at supporting the self-reliance of people with disabilities. Through its participation in this project, the Asahi Group hopes to contribute to solving environmental issues in the region as well as creating employment.

Water Provision Program Water on Wheels (Australia)

Carlton & United Breweries Pty Ltd. (hereinafter, "CUB"), a group company of Asahi Holdings (Australia) Pty Ltd, conducts the



☐ **Water on Wheels** program providing water to farmers who are suffering from droughts, in collaboration with McColl's, a leading logistics company in Australia.

In this program, CUB additionally processes the water it generates during brewing at the Yatala brewery, which is the biggest beer brewery in Australia. This recycled water is delivered by McColl's to drought-stricken farmers. CUB is contributing to both the reduction of the brewery's water usage and the reduction of burdens on the local environment through the effective use of the water generated during the brewing process.

An "Environmental Think Tank" to solve environmental issues by leveraging employees' knowledge (Oceania)

Asahi Holdings Australia Pty Ltd. (AHA) has launched an environmental think tank, an organization for employees to participate in solving local environmental issues as volunteers. The purpose is to respond to employees' desire to contribute to the community and to use the knowledge and experience they have gained on the job to help solve local environmental issues. Upon recruiting employees to participate in the "environmental think tank" throughout AHA in the first quarter of 2021, we received a total of over 80 applications from a variety of positions, far more than we had anticipated.

This think tank is divided into six groups: Sustainable Water Resources, Sustainable Containers and Packaging (Plastic), Sustainable Containers and Packaging (Glass, Metal, Paper), Sustainable Raw Materials Procurement, Climate Change, and Circular Economy. Sustainability briefings are held for each group to provide information on AHA's sustainability goals, governance, sustainability principles, consumer insights, and more. The educational sessions and workshops held in July 2021 involved lively discussions, generating more than 500 ideas in 60 minutes. In addition, some of the ideas proposed in this think tank were discussed by AHA's Sustainability Steering Committee, received management approval, and have begun to progress as real projects, and various projects proposed in this think tank will be implemented in the future. AHA will continue to contribute to the sustainability of the region by bringing together the experience and knowledge of various employees across job functions to solve local environmental issues.

Disaster Relief

Guided by the idea that it 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 from the novel coronavirus, we are taking a variety of measures to support them by making the most of our products, services, and know-how, depending on the situation in each region. We are also working on various measures and activities through the Group's business activities.

Realize Sustainable Communities through the Creation of People-to-People Connections ▶ Activities

Supported “Summer Holiday Children’s Food Support Box” and “Winter Holiday Children’s Food Support Box” (Japan)

In 2021, Asahi Group Japan, Ltd. supported the “Summer Holiday Children’s Food Support Box” and “Winter Holiday Children’s Food Support Box” activities. The aim was to deliver assorted food items to children from families in financial difficulty due to the impact of COVID-19 during the long school vacation period when school lunches are not available. In July, during the summer holidays, 3,000 households received Asahi Group Foods’ “Ippon Manzoku Bar” and in December, during the winter holidays, 3,200 households received “Freeze-dried Miso Soup” and “Hand Sanitizer Gel.”

This activity is a three-way collaboration between the Consumer Goods Forum Japan Sustainability Local Group, World Resources Institute (WRI) 10x20x30 Food Waste Reduction Initiative Japan Project, and Save the Children Japan, with food items provided by companies that support the cause. The Asahi Group will continue to provide support in various ways for this and other issues faced by communities due to the COVID-19 pandemic.

COVID-19 Vaccination Campaign (Australia)

In September 2021, Asahi Beverages Pty Ltd., a subsidiary of Asahi Holdings (Australia) Pty Ltd., launched a campaign to encourage vaccination against COVID-19 using its core beer brand, Victoria Bitter.

The song used in the Victoria Bitter advertisement has been in use for over 50 years and is a widely known commercial song in Australia. In this campaign, we called for vaccination keeping the music and traditional imagery but combined it with the message, “Let’s get back to earning a thirst!” This campaign aims to support the community by encouraging people to get vaccinated so that they can

return to work and reunite with family and friends. The campaign was picked up by the media and attracted a lot of attention.

Importantly, Asahi Beverages Pty Ltd. developed this campaign in a transparent and forthright way by, for example, obtaining prior approval from the Premier of Victoria and the Australian government. We will continue to contribute to the local community through careful dialogue with our stakeholders.

Community revitalization through the free provision of vending machines (Malaysia)

Atlas Vending, a vending machine operator under Asahi Holdings South East Asia Sdn Bhd, has launched a three-month campaign starting in September 2021 to lend vending machines free of charge to representative small and medium-sized companies in each of Malaysia’s 13 states to sell food and other products handled by the companies.

A lockdown was implemented in Malaysia due to COVID-19, which substantially restricted movement within the country. This has severely impacted the economies of local cities and has had a significant impact on small and medium-sized enterprises. Atlas Vending has launched this campaign with the aim of contributing to the revitalization of local communities in Malaysia by supporting these small and medium-sized enterprises. Atlas Vending provided not only vending machine rentals but also refilling services free of charge, with all profits from the campaign being returned to the small businesses.

The vending machines were installed in the hall of KL Sentral Station in the heart of the capital city of Kuala Lumpur, where many consumers visiting the station purchased specialty products from various regions of Malay-

sia. Asahi Holdings South East Asia intends to continue contributing to the revitalization of local communities through its own resources.

Related Information

☐ How We Are Responding to COVID-19

Support for Communities Affected by Tornadoes (Czech Republic)

When a tornado struck the Moravian region of the Czech Republic in June 2021, Plzeňský Prazdroj, a subsidiary of Asahi Europe & International Ltd that operates in the Czech Republic, donated Birell non-alcoholic beer, refrigerators, tents and other items and sent employees to the area to support first responders, rescue workers and firefighters.

Support for Wildfire Victims (Australia)

Carlton & United Breweries Pty Ltd. (CUB), a subsidiary of Asahi Holdings (Australia) Pty Ltd., donated 400 kegs of Carlton Dry to pubs, clubs and hotels in the state of Western Australia to help victims of the massive bushfires that occurred there in February 2021. These kegs were sold at a fundraising event with CUB donating all proceeds to the Australia Wildfire Relief Fund, an organization dedicated to supporting wildfire victims.

Let It Pour Campaign to Aid Farmers Affected by Droughts (Australia)

Carlton & United Breweries Pty Ltd. (CUB), a subsidiary of Asahi Holdings (Australia) Pty Ltd., has held annual Let It Pour campaign in pubs all around Australia since 2018 to raise funds for drought-stricken farmers. Through the campaign, CUB donates beer kegs to the pubs, and all the proceeds from those beer kegs are donated to Rotary Australia’s Drought Relief Fund for Farmers.

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

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. has worked together with Whitelion on various initiatives including fundraising events and volunteer activities. Among them, the one considered to be most important is the employment of young people to provide them with the opportunity to develop their job skills.

Many of the young people Asahi Beverages Pty Ltd. employs under this initiative have never worked before. So the key objective is to prepare them for their next job through this work experience. Asahi Beverages Pty Ltd. assigns an employee to each young person as their mentor who provides the young people with appropriate assistance as well as experiences leading to skills development in cooperation with the Whitelion representative. The company also equips the young people with basic skills and appropriate attitudes and behaviors required in a business environment by educating and nurturing them throughout the process.

In their time with Asahi Beverages Pty Ltd. some of these young people have been able to obtain qualifications or forklift licenses, or learn skills which they can apply to their next job. Offering work opportunities has not only impacted the lives of the young people themselves in a positive way, but it has also provided great benefits to their families as well. With the support of Whitelion, Asahi Beverages Pty Ltd. will continue to help the broader community benefit.

Asahi Beer Oyamazaki Villa Museum of Art (Japanese only)

Works of art, such as those noted in connection with the folk-arts movement and Water Lilies by Claude Monet, are on exhibit at this Museum. Visitors can enjoy magnificent views from a terrace and a beautiful garden from season to season at this Museum located halfway up Mount Tennozan.



Asahi Group Arts Foundation (Japanese only)

This Foundation is subsidizing artistic and cultural activities focused on fine art, music and performing arts and international exchanges.

Asahi Group Foundation (Japanese only)

This Foundation is mainly subsidizing studies on sciences and cultures that concern food, life and the environment.

Expenditure

The Asahi Group's social contribution expenditures and major initiatives are as follows:

Social Contribution Expenditures

Unit: million yen

	2018	2019	2020	2021
Total	1,351	1,292	1,207	1,104

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

Breakdown of Expenditures (in 2021)

Details	
Product donations to food banks	Donated approximately 196.92million yen in total
Support related to COVID-19 pandemic (product donations)	Donated approximately 1.45million yen in total
Asahi Eco-mileage (Japanese only)	Donated approximately 4.2million yen to 67groups

Internal Systems

The Asahi Group is encouraging respective Group employees to keep taking part in voluntary activities. For that purpose, the Asahi Group has prepared systems, including leave and other systems for supporting their voluntary activities, an Intranet and an in-house magazine offering information about such activities.

Major Systems and Programs for Voluntary Activities by Employees

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 where employees can easily recruit or apply to participate in volunteer activities.
Provision of opportunities to participate in volunteer activities	Allows employees to participate in volunteer activities, including the forest preservation activities
Volunteers who collect and donate various items	Volunteers collect and donate used prepaid cards, used stamps, unused postcards, and other items



Health 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



Create Value of Health

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 negative health impact of excessive sugar intake from our products.

Management System

The strategies of the Asahi Group overall are decided under the management system of Asahi Group Holdings, Ltd. Specific activities for these strategies are the companies' business operations and are thus managed in the companies' usual process of operational management.

Goals

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.

KPI

- KPI

Related SDGs



Related Information

- Providing Health Value through Products
- Health-conscious Activities for Stakeholders

Create Value of Health ▶ Providing Health Value through Products

Leveraging the strengths and know-how 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- Research and Other Related Research

The Asahi Group's various operating companies have accumulated extensive resources and knowledge since the time of their founding. For 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. For the soft drinks business, our technical strengths have accumulated through the 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: useful in reducing body fat



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 unique ingredient derived from the lactobacillus strain CP1563, which can be expected to help reduce body fat, for which there are strongly rooted needs in modern society. This product was launched in April 2017 as Karada Calpis. 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

The Calpis-Derived Lactic Acid Bacteria Science series utilizes lactic acid bacteria and ingredients derived from them—borne out of many years of research derived from the Calpis brand—to deliver a reliable sense of health and trustworthy deliciousness. In addition to foods with function claims effective at improving sleep quality, maintaining adequate blood pressure and reducing body fat, Mamoru Hataraku Nyusankin was launched in 2013 as a drink that is useful in health management for customers who want to grow stronger from the inside.



Mamoru Hataraku Nyusankin



Todoku Tsuyosa no Nyusankin W (W is read as "double") (Foods with Function Claims)



Ameal Yasashi Hakkonyu Shitate (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 isomaltodextrin (dietary fiber), which has been reported to suppress the absorption of dietary sugar and fat in healthy people whose blood sugar levels tend to rise; isoflavone from kudzu flowers, which has been reported to help reduce visceral fat; and non-digestible dextrin, which has been reported to suppress the absorption of fat and sugar taken

from meals. "Asahi Jurokucha Tou to Shibou ni Hataraku" makes it easy for us to support people's everyday health. **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" containing Bacillus subtilis C-3102 strain to help increase bone density, which decreases with age, utilizing technology discovered through microbiological research derived from the lactic and 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, 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 become a global social issue, the numbers of people suffering from obesity and 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.

Create Value of Health ▶ Providing Health Value through Products

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 line-ups 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, a subsidiary of Asahi Holdings (Australia) Pty Ltd., committed to the industry's sugar reduction pledge. Industry has the goal of achieving a reduction in sugar, across the industry's non-alcohol beverage portfolio, of 20% from 2015 to 2025. We will continue to further strengthen our sugar reduction efforts and provide consumers with more choices by offering the same affordable prices as our other products.

Activities in Malaysia



Asahi Holdings Southeast Asia has a commitment to reduce sugar content by reformulating 70% of its ready-to-drink (hereinafter "RTD") products in Malaysia to contain 5 grams or less sugar per 100ml by 2021. As part of this commitment, the company is increasing its low sugar and non-sugar beverages in cooperation with Etika Beverages and Etika Dairies. For example, Pepsi Black, a non-sugar carbonated beverages, and Wonda Zero Max, a non-sugar RTD coffee, have gained mass acceptance from local customers. Asahi Holdings Southeast Asia R&D is aggressively working in rolling out non-sugar and lower sugar products. In 2021, it was achieved that products containing 5 grams or less sugar per 100ml accounted for 82% of the company's RTD products.



Development of Products that Contribute to the Reduction of Salt Content

In response to the risks posed by excessive salt intake, the World Health Organization has also launched 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.

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 with a history spanning more than half a century. This brand is central to our

efforts to strengthen operating foundations in this business. Through such efforts, the Asahi Group has succeeded in developing its position as one of the leading fresh milk brands in Malaysia by expanding its lineup beyond just plain milk to also include chocolate, strawberry, banana, and other flavored milk.



As we develop these operations, we have also been utilizing the power of the Goodday brand to help foster health awareness, primarily among elementary schools, through means such as encouraging habitual milk consumption by sponsoring Goodday milk products for schools' internal programs via School Cooperatives. The Asahi Group will continue building upon the brand equity of Goodday as it engages in proactive initiatives for promoting health improvement, an issue that is garnering social attention.

Development of Nursing Care Food for the Elderly with Reduced Ability to Chew and Swallow

Asahi Group Foods, Ltd. offers the "Balance Kondate" series of vacuum-packed nursing care food in consideration of reduced ability to chew and swallow.

The products of the "Balance Kondate" series meet the Universal Design Food standard of 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 the lower limit of viscosity, and the series offers a full lineup for each. In addition, the company develops recipes with attention to taste and appearance, placing priority for the elderly whose ability to chew and swallow has reduced to enjoy their meals as well as before.

Create Value of Health ▶ 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.

Asahi Soft Drinks Health Challenge!

Amid rising awareness of health throughout society, Asahi Soft Drinks Co., Ltd. encourages health-related activities designed to help people to become healthier both physically and mentally through the beverages they consume every day.

Asahi Soft Drinks Health Challenge! is aimed at developing health consciousness both in the Asahi Group and outside based on its concept, “help people to set the rhythm of a new lifestyle and spend each day in good physical and mental health, bringing a smile to the faces of more people.” This involves expanding activities for solving health problems in local communities in cooperation with local governments and the activities for employees.

One of the activities we participate in is the Japan Sports Agency’s FUN+WALK PROJECT,* which encourages employees to commute and work in sneakers, so that they can think about the meaning of health themselves, learn about it, put it into practice, and promote the establishment of easy-to-walk environments and employees’ practices. At the same time, activities motivate employees to find more opportunities to “walk” even during times when they are telecommuting. In April 2021, Asahi Soft Drinks Co., Ltd. also started “Walk for a smile,” a program to provide beverages to the world based on the number of steps taken by employees. This activity aims to promote employees’ everyday health by providing Asahi Soft Drinks products to people engaged in health promotion activities, based on the number of steps taken

by employees, which are recorded on a dedicated app. In acknowledgement of these efforts, Asahi Soft Drinks Co., Ltd. has been recognized by the Japan Sports Agency for three consecutive years as a “Sports Yell Company” for its proactive efforts to support and promote sports activities to improve employees’ health.

*A private-public project conducted by the Japan Sports Agency with the goal of increasing the number of people involved in sports and improving the health of citizens by adding walking to their list of gratifying things, favorite things, and pleasures.



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 around 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 a group of 5-6 children, communicating and deepening knowledge together with

the group members. 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. This has also 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 Lactobacilli Laboratory

2017	2018	2019	2020
34 venues/ 1,903 people	42 schools, venues/ 2,396 people	40 schools, venues/ 2,427 people	1 venue/ 31 people

*Due to COVID-19, the laboratory has been inactive since February 2020.



Create Value of Health ▶ Health-conscious Activities for Stakeholders

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
17 classes/ 976 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

2017	2018	2019	2020	2021
Approx. 96,000	Approx. 103,000	Approx. 103,000	Approx. 47,000	Approx. 61,000

*Due to COVID-19, the number of participants decreased in 2020.

Development of Oral Care Products and Supporting Oral Care Seminars

The elderly 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 in various forms, such as 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 of 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 the products sales. A growing number of medical institutions and facilities for the elderly 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 work on good oral care moving forward are being conducted across Japan. Asahi Group Foods, Ltd. coordinates with entities 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 proper use. Through these activities, the company is making every effort to improve the quality of life of the elderly.





Contribute to Efforts to Reduce Inappropriate Drinking and the Sound Development of the Alcohol Beverage Culture

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 the alcohol beverage culture. By doing so, the Group aims to create enjoyable lifestyles for people around the world.

Key Initiatives

- Reduction in Inappropriate Drinking
- Solution of Alcohol-related Issues through Creation of New Drinking Opportunities


Policy and System

- Policy and System (Responsible Drinking)



Policy and System

Basic Principles

In order to realize the  **Asahi Group Responsible Drinking Principles** (hereinafter the "Group's Drinking Principles"), all Asahi employees recognize our responsibilities and act to reduce the inappropriate drinking habits and contribute the sound development of the alcohol beverage culture as a member of a corporate group that manufactures and sells alcohol beverages.

Overview of the Asahi Group Responsible Drinking Principles

Policy 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.

Policy 2 Reduction and Prevention of Issues Caused by Inappropriate Drinking Habits

We will work to reduce drink driving, under-age drinking, drinking during pregnancy and breastfeeding, binge drinking, and other issues.

Policy 3 Responsible Marketing Activities

We will comply with relevant regulations, industry standards, and internal policies of Asahi Group companies.

Policy 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.

Policy 5 Collaboration with Stakeholders

We will work in conjunction with a variety of stakeholders to reduce inappropriate alcohol consumption.

Policy 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 from nature.

The Global Slogan "Responsible Drinking Ambassador"

To achieve the Asahi Group Responsible Drinking Principles, the Asahi Group has created the global slogan "Responsible Drinking Ambassador" in 2020.

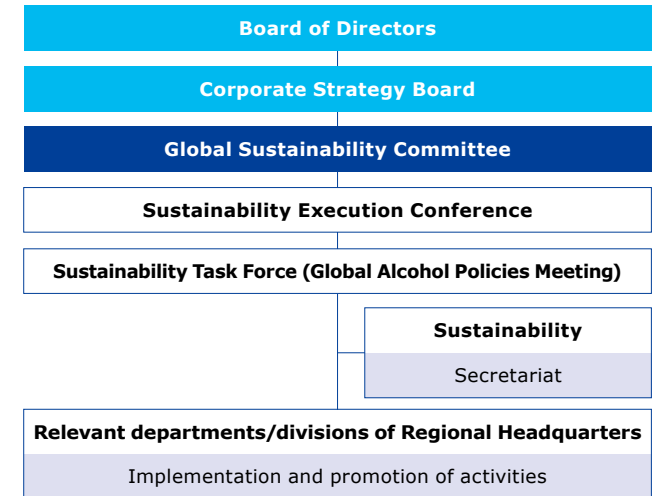
It was created to be shared among employees of the Asahi Group as a slogan that reminds them of their mission as employees at a glance. The slogan includes the word "ambassador" to communicate the idea that the first step toward achieving the Group's Responsible Drinking Principles is each individual 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 only operating companies dealing in alcoholic beverages, but other group companies in Japan as well.

Management System

The Asahi Group holds bimonthly Global Alcohol Policies Meeting with the Sustainability Team of the 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 function as a sustainability task force, discuss actions to address

alcohol-related problems throughout the Asahi Group and share successful initiatives. Through this system, we discuss ways to achieve the goal of responsible drinking.



- Each company involved in the Asahi Group's alcohol business has a management system for the cross-sectorial cooperation of the departments involved in the process from manufacturing to distribution.
- There is a broad range of issues caused by inappropriate drinking habits. Accordingly, we do not have these problems handled solely by a specific internal organization. Instead, we have established a system under which we make group-wide efforts to tackle alcohol-related problems by assigning a role to each region of the Asahi Group. We are thoroughly implementing actions to give the highest priority to compliance in all aspects of our business activities.

Reduction in Inappropriate Drinking

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, we are well aware that inappropriate drinking habits can lead to a range of problems for individuals, their families, and society at large.

Guided by the  **Asahi Group Responsible Drinking Principles**, the Asahi Group seeks solutions to the social problems resulting from inappropriate drinking and pursues the building of a society with fewer alcohol-induced problems.

Management System

● Management System

Goals

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.

KPI

● KPI

Related SDGs



Related Information

● Activities (Reduction in Inappropriate Drinking)

Reduction in Inappropriate Drinking ▶ **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 eliminate inappropriate drinking as awareness-raising activities.

To eliminate inappropriate drinking, we cooperate with other companies in the alcohol beverage industry and trade associations and make 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 drunk 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.

The Implementation of Respect 18, a Program for the Prevention of Under-age Drinking

Asahi Europe & International Ltd. implements the Respect 18 program aimed at discouraging under-age drinking and strengthening the legal prohibition of the sale or provision of alcohol to under-age people. The program is a regional, joint project involving Plzensky

Prazdroj, a.s., a company operating in Czech Republic, and Plezensky Prazdroj Slovensko, a.s. in Slovak Republic, NGOs and local governments.



Working with Social Change Organizations to Foster a Rich Drinking Culture

Asahi Beverages Pty. Ltd. is proud to be a founding member and 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. To underscore the importance we put on the work of DrinkWise, our Group CEO Robert Iervasi has recently joined the DrinkWise Board.

Joint Research with University of Tsukuba to Reduce Inappropriate Drinking

Asahi Breweries, Ltd. started a joint research project with Tsukuba University in January 2022 with the aim of solving social issues related to harmful drinking. We will leverage each other's knowledge and strengths to promote science-based activities which address social issues around harmful drinking, such as heavy drinking.

Reduction in Inappropriate Drinking ▶ Activities

Release of Video Content on Responsible Drinking

Asahi Breweries, Ltd. has released video contents to help people enjoy alcohol beverages in 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 drunk driving and under-age drinking. These are provided to restaurants on request and are used for training staff.



Reference

☐ Learn about alcohol beverages with Asahi Breweries "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 under-age drinking (less than 20 years of age in Japan), Asahi Breweries, Ltd. developed in July 2007 an educational tool for primary 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 2021, 836,800 brochures have been distributed to primary, 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 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

2017	2018	2019	2020	2021
72,264	40,124	31,352	18,890	15,515

*The tool may be requested ☐ [here](#). (Japanese only)

*The number of copies distributed has decreased since 2020 due to COVID-19.

"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, starting from under-age (less than 20 years of age in Japan) who have yet to develop a taste for drinking to the elderly who are well-versed in it. 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.

Defining Four Points for Online Drinking Events

In response to our new culture of holding drinking parties online, Asahi Breweries, Ltd. has defined "Four Points for Online Drinking Events" to encourage appropriate drinking practices.

These points have been recommended to participants for such occasions as the ASAHI SUPER DRY VIRTUAL BAR, online drinking events that were held five times in 2021.

Four Points for Online Drinking Events

Add to the enjoyment of drinking good alcohol beverages

1. Refrain from excessive drinking for an extended period;
2. Be considerate to each other and drink at your own pace;
3. Do not force someone to drink quickly nor a large amount of alcohol, and do not do so yourself; and
4. Drink at a gentle pace and with meals.

Reduction in Inappropriate Drinking ▶ Activities

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 is pursuing initiatives aimed at raising our employees' own awareness of the importance of responsible drinking.

Asahi Breweries, Ltd.

In 2016, Asahi Breweries, Ltd. launched an "e-Learning about Alcohol" program targeting all Asahi Breweries 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 15,700 people, almost equivalent to all of the employees* of the Asahi Group companies in Japan, have participated in the e-learning program in 2021.

*The employees in an environment where e-learning is possible

In addition, the "Responsible Drinking Ambassador Seminar," an online training program, was held 141 times from July to December 2021, with all 4,301 employees of Asahi Breweries, Ltd. in attendance. In addition to the conventional basic knowledge on alcohol and case studies of inappropriate drinking, a new group work session was provided for employees to exchange opinions. Attendees shared their thoughts as "Responsible Drinking Ambassadors," in their own words, encouraging internal dissemination of the message.

When employing new graduates, Asahi Breweries, Ltd. uses an online training system to provide training about

responsible drinking. The online training program explains drinking tips for new employees and Asahi Breweries' commitment to the popularization of responsible drinking throughout society, in an effort to enhance the staff's understanding to the level expected of anyone working for an alcohol company.

Asahi Europe & International Ltd.

Asahi Europe & 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. develops 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 NZ). We support the rules they've put in place to ensure alcohol is marketed responsibly to adults, and we work together to ensure they're 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, 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 its respective region and country and develops responsible marketing activities globally.

Related Information

- ☐ Asahi Breweries, Ltd. Voluntary Advertising Standards
- ☐ Asahi Europe & International Ltd. Policy on Commercial Communication
- ☐ Asahi Holdings (Australia) Pty Ltd. Responsible Marketing and Advertising
- Responsible Marketing

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 minors 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 an adult 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)

Reduction in Inappropriate Drinking ▶ Activities

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.

In January 2015, ICAP integrated with the Global Alcohol Producers Group, which was established in 2005 to create opportunities for dialogue between major worldwide leading alcohol producers and alcohol production unions with the World Health Organization (WHO) to newly create the International Alliance for Responsible Drinking (IARD). The 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.

As one of the global alcohol beverage producers that

were members of the IARD in 2012, the Asahi Group was a signatory to the IARD PRODUCERS' COMMITMENTS and is undertaking measures to meet those commitments.

IARD PRODUCERS' COMMITMENTS

1. Reducing under-age 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 under-age drinking (less than 20 years of age in Japan) and Asahi Europe & International's initiatives to discourage pregnancies from drinking alcohol. The marketing policies of Asahi Europe & International Ltd. is also covered.

In November 2019, IARD began collaborating with Facebook (including Instagram), Snapchat, YouTube and other digital platforms to build a safeguard to prevent under-age people to view alcohol ads. IARD and the digital platforms have worked together to introduce a system enabling 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 reductions in under-age drinking." The Asahi Group, in conjunction with IARD and its member companies, will tackle these five specific actions.

*IARD membership rose to 13 at the end of 2021, when one more company joined.

Actions to Accelerate Reductions in Under-age 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, under-age drinking is increasingly posing a problem. The goal of the alliance is to prevent under-age people from purchasing alcohol beverages online and to provide strong standards for the responsibility to

Reduction in Inappropriate Drinking ▶ Activities

prevent harmful drinking.

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 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 under-age drinking
- ☑ IARD Joint Statement: “New global alliance formed to promote the responsible sale and delivery of alcohol online”
- ☑ Global Standards for Online Alcohol Sale and Delivery
- ☑ Influencer Guiding Principle

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 many various efforts such as the encouragement of appropriate drinking.



Logo of “STOP! Under-Aged Drinking (less than 20 years of age)”

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 moder-

ate level. The 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.

Cooperation with the Brewers of Europe

Asahi Europe & International Ltd. is a permanent ☐ **Brewers of Europe** council member, a not-for-profit association in European brewing sector. As such Asahi Europe & 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 implementing the revolutionary #ProudToBeClear initiative with the goal of enhancing the transparency of ingredient and calorie labelling to enable consumers to make fact-based choices when purchasing products. Asahi Europe & International Ltd. has also signed on to this initiative.



The Brewers of Europe

Cooperation with Retail Drinks Australia

Asahi Holdings (Australia) Pty Ltd. cooperates with ☐ **Retail Drinks Australia**, a national industry body representing retail liquor stores, in the maintenance of and compliance with the Online Retail Code and the management of e-commerce standards for the sale of alcohol beverages.



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 edify our customers on moderate and responsible drinking based on those findings.

Related Information

- ☐ Research findings (Japanese only)

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

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 growth of 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.

Management System

- Management System

Goals

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.

KPI

- KPI

Related SDGs



Related Information

- Provision of New Options

Solution of Alcohol-related Issues through Creation of New Drinking Opportunities ▶ **Provision of New Options**

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 sour-tasting non-alcohol beverage such as "Asahi Style Balance Plus."

Asahi Dry Zero is characterized by its dry flavor, beer-like drinkability with creamy head, and a refreshing compatibility with meals. Since its launch in February 2012, Asahi Dry Zero has earned a strong reputation for its flavor that is typical of beer. It has remained a top-seller in the Japanese non-alcohol, beer-flavored beverage market for the six consecutive years since 2015.*

Since its launch in 2015, the "Asahi Style Balance Plus" series 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 2021 (combining figures from supermarkets, convenience stores,

discount liquor stores, general liquor stores, professional-use liquor stores, drug stores and DIY stores)



Expansion of Less-alcohol Products such as "Asahi Beery"

As part of the "Smart Drinking" activity started in 2021, we launched a new category of "less-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%. In the second phase, Asahi HIBALLY, a highball with 0.5% and 3% alcohol content, was launched. Now in the third phase, Bispa, a wine-tasting beverage with 0.5% alcohol content, was launched. 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 as seeking to create demand.



Birell

Birell was launched in 1992 as the non-alcohol beer with its characteristic beer flavor thanks to special Birell yeast cells. It gained customer support because it tastes exactly like real, alcohol beer and has taken more than 60% of the market, establishing its status as the No.1 non-alcohol beer brand in the Czech Republic. Available in an array of flavors, Birell contains only natural additives and no preservatives, synthetic colors or artificial sweeteners. It is very popular, characterized by being less sweet than regular soft drinks.

*As of 2021



Solution of Alcohol-related Issues through Creation of New Drinking Opportunities ▶ Provision of New Options

Carlton Zero and Great Northern Series

Asahi Holdings (Australia) Pty Ltd. offers Australians many different choices for their moderation of their alcohol consumption including non- and low-alcohol beverages. The non-alcohol beers, Carlton Zero and Great Northern Zero, and the low-alcohol beer, Great Northern Super Crisp lager, aim to offer people new options to enjoy themselves. In 2021, no- and low-alcohol beers made up around 29% of our beer portfolio in Australia and New Zealand. This is world-leading and a source of great pride for our business as we play a pivotal role in continuing to contribute to the improvement of the drinking culture in Oceania.



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. By June 2021, the website of Asahi Breweries, Ltd. disclosed the absolute amount of alcohol in grams contained in the main alcohol products commercially available from Asahi Breweries, Ltd. in Japan. In addition, from August of the same year, we started sequentially displaying the net alcohol content in grams on cans of beer, ready to drink (RTD) (canned chuhai, etc.), and low-alcohol beers manufactured and sold in Japan. By disclosing the absolute amount of alcohol in a product in grams, Asahi Breweries, Ltd. will ensure that customers are able to choose the alcohol product most suitable for them.
2. Asahi Breweries, Ltd. is aiming to have its low-alcohol products containing 3.5% or less alcohol and non-alcohol beverages reach 20% of the total volume of beer, RTDs and non-alcohol products sold by 2025, a little more than three times the 2019 figure.

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.

Themes

- Realize Sustainable Supply Chains
- Secure Food Safety & Reliability
- Human Resources Management
- Safety and Well-being

Realize Sustainable Supply Chains

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. 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 for sustainable activities. We will build strong relationships of trust and long-term cooperative relationships with our suppliers to promote procurement activities with environmental and social considerations.

Management System

Supply Chain Management System

The Asahi Group promotes activities to address sustainability issues in the supply chain through a management system that has been established for each material issue such as "Environment", "People" and "Responsible drinking".

The management structure for each of these material issues is positioned as a task force linked to the Global Sustainability Committee chaired by the CEO of Asahi Group Holdings, Ltd.

Management System for Sustainability Issues in the Supply Chain



*RHQ is an abbreviation for Regional Headquarters.

Supplier Management System

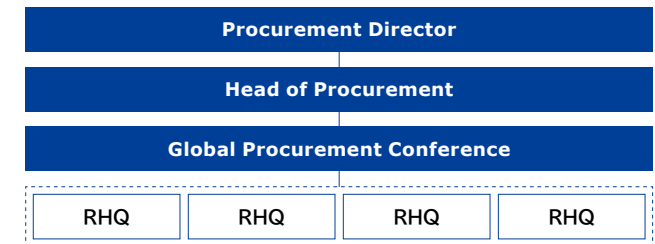
As for supplier management, we have established the Procurement Section at Asahi Group Holdings, Ltd. as the section in charge of overseeing the procurement strategy of the Group overall. We thus engage in optimal procurement activities in coordination with Group companies. Policies and strategies proposed 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 Procurement 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 other policies with 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 companies 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



Goals

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.

KPI

KPI

Related SDGs



Related Information

- Promotion of CSR Procurement
- Supplier CSR Questionnaire
- Cooperation with Suppliers
- Sustainable Agricultural Raw Materials
- Respect for Human Rights
- Respond to Climate Change
- Sustainable Water Resources
- Reduction of Waste and Prevention of Pollution
- Respond to TCFD Recommendations

Realize Sustainable Supply Chains ▶ 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 the water shortage pose an issue for the procurement of raw materials? If so, what action have you taken? • Does the 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 131 plants from 2017 to 2021, and the following responses were obtained.

- Changes in water bills: Increased at 27 plants, have not changed at 32 plants, and decreased at 14 plants. 53 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, resultant from water shortage: 129 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 Department scattered its supplier production locations as a way of responding to this risk. Suppliers are considering multiple sources of agricultural product

- Issues in plant operation, resultant from water shortage: None of the 131 plants experienced issues.

Response Going Forward

If any water risk is clearly shown to exist, we will take appropriate measures in accordance with specifics of the risk and social circumstances.

Related Information

- Cooperation with Suppliers
- CDP Water security questionnaire 2022 (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 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.

In addition, from 2019, we have been purchasing certified credits under the Book and Claim certification method for some of the palm oil procured by the Group, and Asahi Group Foods plans to purchase certified credits for 50% of its total palm oil procurement in 2022. 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) 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. Asahi Group Japan, Ltd. Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. and Asahi Group Foods, Ltd. have partnered with each other to acquire a group certification. Currently, the certification covers cardboard and multi-packs; however, more paper-based products will be certified in the future. Asahi Group Holdings is also preparing to transition to FSC® CoC certified, 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.



The mark of responsible forestry

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.

Realize Sustainable Supply Chains ▶ Promotion of CSR Procurement

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;
- (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)

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 2021, one incident was reported under this system.

Related Information

- ☐ The Procurement Clean Line System

Realize Sustainable Supply Chains ▶ 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 conduct a Supplier CSR Questionnaire to gain an understanding of all suppliers' ESG (Environmental/Social/Governance) initiatives, to assess their risks and to resolve potential issues. We require our suppliers to submit a Questionnaire, and we carried out this survey in 2015, 2016, 2018, and 2020.

Approach

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 you to resolve those issues will contribute to resolving challenges in society on a fundamental level.

The Asahi Group established the **Asahi Group Supplier Code of Conduct** for its suppliers. The series of activities including the Supplier CSR Questionnaire is aimed at making our procurement sustainable by solidifying our relationships with suppliers based on trust and long-term cooperation and by encouraging suppliers to base their activities on the Asahi Group Supplier Code of Conduct.

Survey Overview

Scope of Survey

Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd., CALPIS Co., Ltd., Asahi Europe & International Ltd. (hereinafter "Europe"), Asahi Holdings (Australia) Pty Ltd. (hereinafter "Oceania") and companies affiliated with Asahi Holdings Southeast Asia Sdn. Bhd. (hereinafter "Southeast Asia")

Total: 21 companies

Participating Suppliers in Numbers

	Re-quests	Responses from primary suppliers	Responses from secondary suppliers (overlapping answers are excluded)	Total responses (overlapping answers are excluded)
Japan	485	442	94	536
Overseas	326	239	23	262
Total	811	681	117	798

Percentages of Responding Suppliers

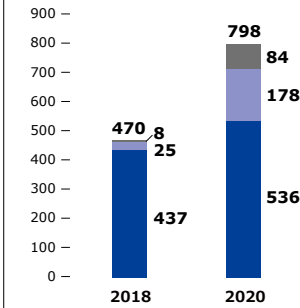
Survey results are aggregated from 798 suppliers and their percentages are shown below.

The 2020 survey covers all direct material suppliers, both Japan and international, that regularly do business with us. 67% of the suppliers are from Japan, 22% are from Europe and Oceania and 11% are from Southeast Asia.

By industry, manufacturing accounted for 70% of the suppliers while wholesale and retailing accounted for 26%. The percentages are very similar to those in the 2018 survey.

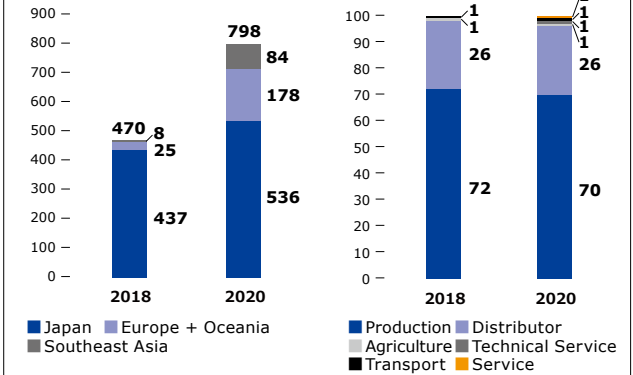
Number of Respondents to Supplier CSR Questionnaire

(Number)



Supplier Business Category

(%)



*The 2018 survey limited overseas respondents to major suppliers that have substantial business with us. For this reason, the number of overseas respondents is small, at 33.

Questionnaire Contents

As in the 2018 survey, the 2020 Supplier CSR Questionnaire used the self-assessment questionnaire (hereinafter, "SAQ") by the UN Global Compact Network Japan (hereinafter, GCNJ) in 2017. The questionnaire (hereinafter "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, ISO26000, 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

Realize Sustainable Supply Chains ▶ Supplier CSR Questionnaire

More specifically, GCNJ-SAQ adds sub-items to each item and includes questions on the suppliers' legal awareness, policy, system / responsibilities, and checking initiative results and corrective action. In this way, the suppliers' activities are graded.

Survey items: 9 items

(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 safety and health

9 themes	47 topics
(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 GHG (greenhouse gases) 6. Identification, management, reduction, and responsible disposal or recycling of waste 7. Initiatives related to biodiversity
(5) Fair business practices	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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 one of our rules for suppliers. In addition, the supplementary questions ask respondents about:

- (1) whether the 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 overseas workers;
- (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 (hereinafter "ASSC"). The excerpt had the approval of ASSC.

Summary of the Survey Results

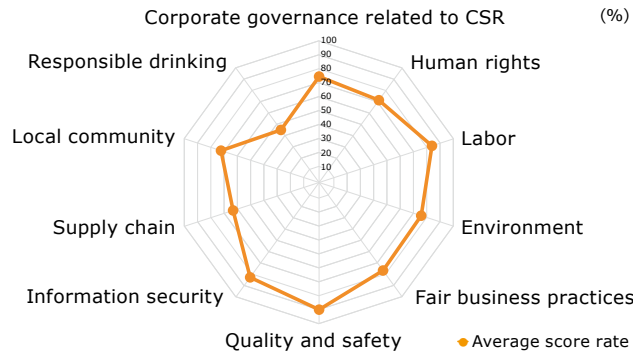
Outline of Results

Based on the Asahi Group Supplier Code of Conduct, the survey results were evaluated in terms of ten themes, including the nine themes from GCNJ-SAQ and "responsible drinking" from the supplementary questionnaire.

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 "Responsible drinking." Excluding

Realize Sustainable Supply Chains ▶ Supplier CSR Questionnaire

“Responsible drinking,” a new theme, the average scores of the nine themes remained very similar to those of the 2018 survey.



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

Summary of Supplementary Questions Results

(1) Whether the Suppliers Keep Updated on the Fulfillment of CSR in the Companies from Which They Procure Raw Materials

More respondents said yes than in the 2018 survey. Many of these responses are 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 the Japanese Suppliers Use the Technical Intern Training Program for Overseas Workers

Eleven percent of the Japanese suppliers use the technical intern training program for overseas workers. See the table below for the interns’ national origins and their weightings. The weighting of interns from Indonesia has increased in comparison with the 2018 survey, whereas the weightings of interns from China, Philippines and Myanmar have decreased.

	2018	2020	Difference
Rate of use of the technical intern system	10%	11%	1%

Interns’ National Origins and Their Weightings

Country	2018 Weighting	2020 Weighting	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%
Uzbekistan	0%	0%	0%
Cambodia	1%	0%	-1%
Myanmar	3%	0%	-3%
Total	100%	100%	

*Respondents: Suppliers in Japan

(3) Certifications to Provide Products That Are Socially Responsible

The following is a list of top 20 certifications reported (from a total of 55 certifications reported) and the rates of their acquisition. 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	ISO9001	5%	47%	42%
2	ISO14001	3%	36%	33%
3	FSSC22000	3%	36%	33%
4	Sedex	2%	25%	24%
5	HACCP	0%	18%	17%
6	ISO22000	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	ISO45001	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

The rates of suppliers’ activities in Europe and Oceania are much higher than those of Japan and Southeast Asia. Southeast Asia surpasses Japan in the calculation of Scope 3, external verification and assessment of water risks.

Realize Sustainable Supply Chains ▶ Supplier CSR Questionnaire

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 more in Japan in the last two years.

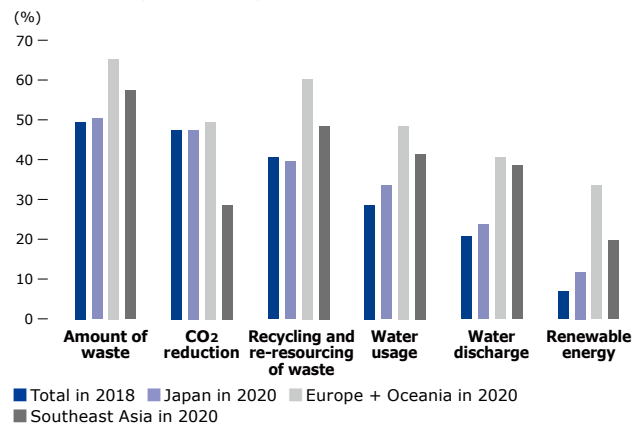
	2018		2020			20vs18 (2) - (1)
	Total (1)	Japan (2)	Europe + Oceania	South-east Asia	Total	
We create environmental reports or similar reports.	42%	42%	69%	40%	48%	0%
We disclose our environmental reports or similar reports.	28%	24%	45%	26%	29%	-4%
We calculate SCOPE 1 and 2.	27%	33%	45%	25%	35%	5%
We calculate SCOPE 3.	14%	16%	34%	31%	21%	2%
We obtain the 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

Indicators and Disclosure Relating to the Environment

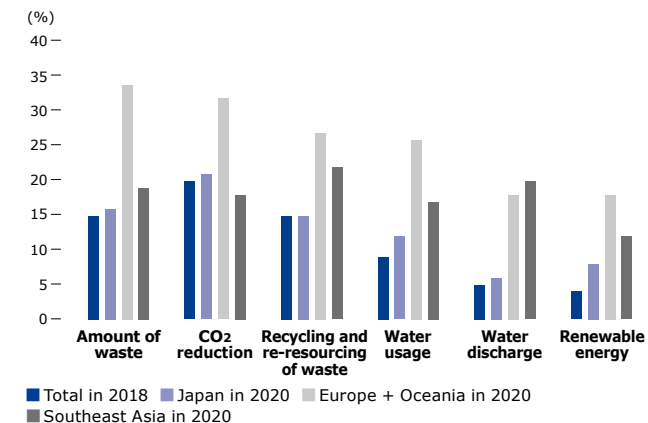
Suppliers in Europe and Oceania set and disclose targets much more than their counterparts in Japan and Southeast Asia do.

Ninety-three percent of responses to the 2018 survey came from Japanese suppliers. Considering this to be unique to Japan, the 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 Setting



Rate of Target Disclosure



	Target setting						Target disclosure					
	2018		2020				2018		2020			
	Total (1)	Japan (2)	Europe + Oceania	South-east Asia	Total	(2) - (1)	Total (1)	Japan (2)	Europe + Oceania	South-east Asia	Total	(2) - (1)
Amount of waste	50%	51%	66%	58%	55%	1%	15%	16%	34%	19%	20%	1%
CO2 reduction	48%	48%	50%	29%	46%	0%	20%	21%	32%	18%	23%	1%
Recycling and re-resourcing of waste	41%	40%	61%	49%	45%	-1%	15%	15%	27%	22%	18%	0%
Water usage	29%	34%	49%	42%	38%	5%	9%	12%	26%	17%	15%	3%
Water discharge	21%	24%	41%	39%	29%	3%	5%	6%	18%	20%	10%	1%
Renewable energy	7%	12%	34%	20%	17%	5%	4%	8%	18%	12%	10%	4%

Realize Sustainable Supply Chains ▶ Supplier CSR Questionnaire

(5) Actions on 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.

	Japan	Europe + Oceania	South-east Asia	Total
Please choose one of the following statements which best describes your current management system to tackle the impact of the COVID-19.				
1 We have established a new management system specifically designed to make decisions on the measures and policies regarding the COVID-19 situations (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 the measures and policies regarding the COVID-19 situations (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 the 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 the 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%

Workplace Health and Safety 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	South-east Asia	Total
Please choose all appropriate statements from below which describe your current health and safety measures. (Please choose all statements which apply to you)				
1 It is mandatory to use sterilized alcohol and other materials at the entrances of workplaces, employees' dormitories, and shared spaces.	98%	94%	96%	97%
2 In a workplace, employees can secure a social distance (about 2 metres).	60%	96%	93%	70%
3 In the employee's dormitories employees can also secure a social distance.	83%	90%	89%	85%
4 All work environments and shared spaces, such as bathrooms, dormitories, cafeterias, and so on, are regularly cleaned and sanitised to ensure the health and safety for employees.	91%	98%	98%	93%
5 All employees can access clean toilet facilities, soap, portable water, and, where applicable, sanitary facilities for food storage.	95%	98%	96%	96%
6 The company provides equipment such as masks and personal protective equipment (PPE) for health and safety at the expense of the company.	88%	96%	96%	90%
7 The company protects employees, especially older (65+), pregnant, or people who have previously suffered from any disease, from hazardous work environments and from travel to areas at high risk of COVID-19 exposure.	97%	97%	96%	96%
8 Employees are kept in touch with family and friends living in their home towns or remote areas so that they are not separated from "connections to support".	74%	94%	90%	79%
9 The company considers the role and circumstances of employees (especially female employees) at home, so the company responds to the needs of employees through flexible time shifts and introduction of part-time work.	92%	96%	79%	92%
10 The company considers safety, and has introduced work from home for employees (especially employees who have children).	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	South-east Asia	Total
Please choose all options which apply to your efforts/actions to prevent discrimination related to COVID-19. (multiple answers possible)				
1 The company established policies and rules to prevent discrimination related to COVID-19 and notified employees.	70%	87%	83%	75%
2 In order to protect employees, the company take measures such as notifying them to prevent the use of social media which involves the spread of false information, fears and prejudices when communicating at work.	69%	74%	82%	71%
3 In order to prevent fear and prejudice against infected employees, the company has established and taken measures to prevent the spread of false or misleading information.	59%	86%	87%	67%
4 The company takes into account that specific employees, such as foreigners, disabled employees, and other relatively vulnerable employees, do not have false understanding of COVID-19 through advertisements and marketing campaigns, and the company provides information and education appropriately to all employees.	58%	89%	90%	68%
5 The company should protect employees who have recovered from COVID-19 and are allowed to return to work away from discrimination and other accusations and provide appropriate education to employees.	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.

Realize Sustainable Supply Chains ▶ Supplier CSR Questionnaire

Please choose the one that is most appropriate to your consultation from the following.	Japan	Europe + Oceania	South-east Asia	Total
1 The company has set up an independent consultation desk in a native language run by a third-party organisation, and accept consultations by phone or SNS.	14%	18%	13%	15%
2 The company has a consultation desk within the company and accept consultations by phone or SNS.	36%	20%	15%	31%
3 The company has an opinion box inside the company.	10%	15%	14%	11%
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 sent 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 responded. Moreover, booklets summarizing the aggregate results were sent for use as a written report. We hope that the reports will help suppliers renew their understanding of their strengths and weaknesses and to address their weaknesses so they will 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 con-

firmed 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 have decided to cancel due to the travel restrictions associated with COVID-19. In 2021, due to the continued travel restrictions associated with COVID-19 and with the suppliers’ understanding, we monitored 12 companies 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 issues or suggested consulting a labor and social security attorney, legal advisor, or a Labor Standards Inspection Office about relevant laws and regulations. In such ways, we are working together with suppliers to develop action plans.

In 2021, the following three issues were identified by many suppliers:

- (1) No employee training on working conditions, compliance, or information security: 9 companies.
- (2) The structure and responsibilities of each department were not clear: 8 companies.
- (3) Efforts to prevent drunk driving and alcohol harassment were not being made: 7 companies.

The following requests were made with regard to these matters:

- (1) Suppliers were asked to promote employee education through internal training and external seminars.
- (2) Suppliers were asked to clarify the structure and responsibilities of each department by creating a division of duties chart, functional organization chart, etc.

(3) Suppliers were asked to educate employees on responsible drinking and alcohol checks before driving vehicles since problems caused by drinking are unfortunate for the parties involved, their families, and the company.

There were no violations in the areas of the environment or quality. In addition, three of the companies involved employed technical interns. These companies were found to be appropriately addressing work guidance, payroll payments, and considerations during the COVID-19 pandemic.

When deciding on where to conduct the monitoring, we prioritize raw and packaging material makers and make selections based on four criteria: (1) CSR Questionnaire score, (2) value of transactions with the Asahi Group, (3) The supplier attended an Asahi Group Procurement Policy Information Meeting, and (4) CSR risk.

Amid the COVID-19 pandemic, travel restrictions are expected to continue in 2022. However, we will conduct a monitoring with 12 suppliers using videoconferencing system. 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 this.

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)

Realize Sustainable Supply Chains ▶ 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](#).

- In Japan, we strive to share quality awareness and initiatives with suppliers by regularly conducting Supplier Quality Audits and holding QA Meetings for Asahi Group suppliers. The number of suppliers participating in the Asahi Group Material QA meeting was 46 in both 2020 and 2021.
- We regularly hold Global Procurement Meeting and Domestic Group Procurement Section Meetings. In these meetings, our activities for quality improvement are shared with all companies of the Asahi Group to incorporate them into the Group-wide activities. Global Procurement Meeting was not held in 2020 and 2021 due to COVID-19. However, we kept updated on the progress in monthly calls. We had three Domestic Group Procurement Section Meetings in 2020 and 2021 each.
- 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 Burden

The Asahi Group engages in various efforts together with our suppliers to reduce the environmental burden of our supply chain.

Partnering with Italian Farmers

Birra Peroni, an Italian subsidiary of Asahi Europe & International Ltd. with a history dating back to nearly 170 years, produces 5 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 they partner with more than 1,500 local farmers. Birra Peroni 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 ranging from 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 burden 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 350ml Aluminum Beer Cans

Asahi Breweries, Ltd. has developed **the lightest domestically-produced 350ml aluminum beer cans (according to Asahi Breweries survey)** in cooperation with four can manufacturers as part of its efforts to develop environment-friendly packaging.



Realize Sustainable Supply Chains ▶ Cooperation with Suppliers

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

The Asahi Group holds annual sessions to explain its procurement policy for suppliers who supply raw materials to domestic operating companies. In addition to requesting compliance with the Asahi Group Supplier Code of Conduct, the sessions are aimed to explain and obtain suppliers' understanding about the Asahi Group Human Rights Principles, the Asahi Group Environmental Principles, the Asahi Group Responsible Drinking Principles and other principles of the Asahi Group, and deepen their understanding about the Group's domestic and international operations and future activities, and build continuous partnerships based on collaboration with suppliers.

These sessions were held online in 2021 due to the limitations imposed by COVID-19. A total of 121 companies participated in the meeting, during which we explained the Asahi Group's policies and sustainability activities and each group's strategies and action plans for the 2021 fiscal year, to gain their understanding.

Supplier Training

In pursuing activities with our suppliers to fulfill our environmental and social responsibilities, we conduct 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 factors.

At an Asahi Group Procurement Policy Information Meeting held in 2021, we explained Asahi Group's policies, sustainability activities, and the results of the Supplier CSR Questionnaire conducted in 2020. We also introduced Sedex, a supplier ethical information sharing platform, and requested attendees to use this system.

As for the on-site survey based on the results of the Supplier CSR Questionnaire, which is conducted every year, meetings were held online in 2021, 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 these ways, 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' ability & risk on eight points: Management, ESG (Environment/Social/Governance), 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 2021, 64 raw material suppliers and 78 other material suppliers received the assessment*.

*Evaluations were performed by: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd.

Approaching New Suppliers

The Asahi Group selects new suppliers by comprehensively assessing opportunity & risk 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 & Reliability

Approach

The Asahi Group believes that, as a company handling food, it bears the important mission of dedicating itself to the pursuit of food safety and security to ensure it is able to continue delivering “Excellence in quality.”

Based on the [Asahi Group Quality Principles](#), the Asahi Group works throughout the entire process from product planning and development and the procurement of raw materials to production, logistics, sales and communication with customers to ensure safety and security with the aim of providing products and services exceeding the expectations of customers.

Management System

- 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 Basic Quality Policy. They also reflect the opinions of customers in their quality assurance activities.

Group Quality Management System



Goals

Through the intensification of its quality management system, the Asahi Group pursues the occurrence of zero quality accidents* in its quest to achieve “Excellence in quality,” which is referred to in the Asahi Group Philosophy as our offering of value.

*Quality accidents indicate the cases 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.

KPI

- KPI

Related SDGs



Related Information

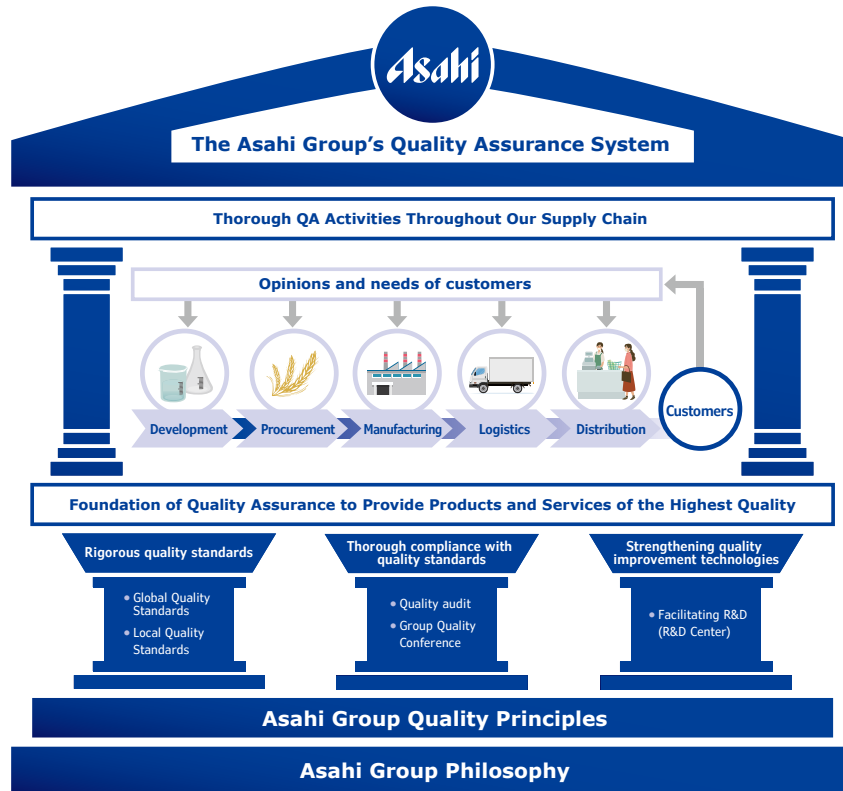
- Quality Assurance System
- QA Activities in Our Supply Chain
- Responsible Marketing
- Appropriate Response and Support to Consumers
- ☐ Asahi Group Initiatives That Provide Customers with Reliability (Japanese only)

Secure Food Safety & Reliability ▶ Quality Assurance System

Approach

The Asahi Group establishes and thoroughly follows rigorous quality standards in compliance with the [Asahi Group Quality Principles](#) in an effort to unflinchingly provide products and services with “Excellence in quality,” as set forth in the Asahi Group Philosophy. The Group is energetically committed to research and development aimed at quality improvement. Ensuring these efforts take root in all of the Group’s companies to be the foundation of the Group’s quality assurance efforts, we always pursue the highest quality throughout our supply chain.

Overview of Our QA System



● QA Activities in Our Supply Chain

Rigorous Quality Standards

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 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.

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;
- Product development;
- Purchase management;
- Manufacturing management and quality inspections;
- Storage and transportation;
- Sale of products;
- Communication with customers;
- Education and training;
- Information management; and
- Quality audits, among others

Status of Acquisition of Certifications

Asahi Group companies have acquired quality and food safety certifications, primarily including the following.

Secure Food Safety & Reliability ▶ Quality Assurance System

Key Quality-related Certifications at Major Production Sites in Japan

Company name	Key product	Number of production sites	Certification related to quality assurance	Certification related to food safety	Other certification
Asahi Breweries, Ltd.	Beer	8 sites	ISO9001: 8 sites	ISO22000: 3 sites FSSC22000: 5 sites JFS-C: 1 site	
The Nikka Whisky Distilling Co., Ltd.	Western alcoholic beverages	8 sites	ISO9001: 8 sites	ISO22000: 8 sites	
Asahi Soft Drinks Co., Ltd.	Soft drinks	7 sites	ISO9001: 7 sites	FSSC22000: 7 sites	
Asahi Group Foods, Ltd.	Food	7 sites		FSSC22000: 5 sites	Health Food GMP: 2 sites

*As of February 1, 2022

Key Quality-related Certifications at Major Overseas Production Sites

Company name	Key product	Number of production sites	Certification related to quality assurance	Certification related to food safety	Other certification
Birra Peroni S.r.l. (Italy)	Beer	3 sites	ISO9001: 3 sites	FSSC22000: 3 sites	
Koninklijke Grolsch N.V. (Netherlands)	Beer	1 site	ISO9001: 1 site	FSSC22000: 1 site	
Plzeňský Prazdroj (Czech)	Beer	3 sites	ISO9001: 3 sites	FSSC22000: 3 sites	
Plzeňský Prazdroj Slovensko, a.s. (Slovakia)	Beer	1 site	ISO9001: 1 site	FSSC22000: 1 site	
Kompania Piwowarska SA (Poland)	Beer	3 sites	ISO9001: 3 sites	FSSC22000: 3 sites	
Ursus Breweries SA (Romania)	Beer	3 sites	ISO9001: 3 sites	FSSC22000: 3 sites	
Dreher Sörgyárak Zrt. (Hungary)	Beer	1 site	ISO9001: 1 site	FSSC22000: 1 site	
Asahi Beverages Pty Ltd. (Australia and New Zealand)	Soft drinks and alcoholic beverages	9 sites		FSSC22000: 8 sites	HACCP: 1 site
Carlton & United Breweries Pty Ltd. (Australia)	Beer	3 sites	ISO9001: 2 sites	ISO22000: 1 site	HACCP: 2 sites
Etika Beverages Sdn. Bhd. (Malaysia)	Soft drinks	1 site	ISO9001: 1 site	FSSC22000: 1 site	HACCP: 1 site
Etika Dairies Sdn. Bhd. (Malaysia)	Dairy products	1 site	ISO9001: 1 site	FSSC22000: 1 site	HACCP: 1 site
PT. Etika Manufacturing Indonesia (Indonesia)	Soft drinks	1 site	ISO9001: 1 site		
PT. Etika Dairies Indonesia (Indonesia)	Soft drinks	1 site		FSSC22000: 1 site	HACCP: 1 site

*As of February 1, 2022

Thorough Compliance with Quality Standards

The Asahi Group implements many different efforts under the governance of Asahi Group Holdings to ensure thorough compliance with quality standards.

Quality Audit

Regularly, the Asahi Group combines the following multi-stage quality audits to assure 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 (plants);
- Mutual quality audits conducted by companies in the same area;
- Regional Headquarters quality audits of companies under the headquarters' jurisdiction;
- 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

Asahi Group Holdings, Ltd. conducts quality audits in cooperation with Group companies' audit and quality assurance departments, in compliance with the rules established by the internal audit departments.

The audits comply with 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 pursues quality improvements throughout the Group by encouraging improvement actions for specified problems. (Online auditing began in 2020.)

Secure Food Safety & Reliability ▶ Quality Assurance System



Overseas quality audit meeting



Audit in progress at an overseas production worksite

Group Quality Conference (Sustainability Task Force)

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.

The conference also plays the role of a sustainability task force, reporting and presenting the subjects discussed during the conference to superior conference bodies whenever necessary.

Major Activities at the Group Quality Conference

- Development and sharing of quality assurance policies
- Inspect cases of quality defects, prevent similar inci-

dents, 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



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.

The Analytical Science Laboratories – Research and Development of Food Safety Assurance Technologies

The Asahi Group develops latest analytical technologies related to food safety chiefly in the Analytical Science Labo-

ratories. It covers a wide range of areas, including microorganisms, agricultural chemicals, mycotoxins, heavy metals, and resins, as well as radioactive substances. The Laboratory technologically supports the Asahi Group's sophisticated safety assurance system both in Japan and overseas.

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 assure 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, including those located overseas.



Related Information

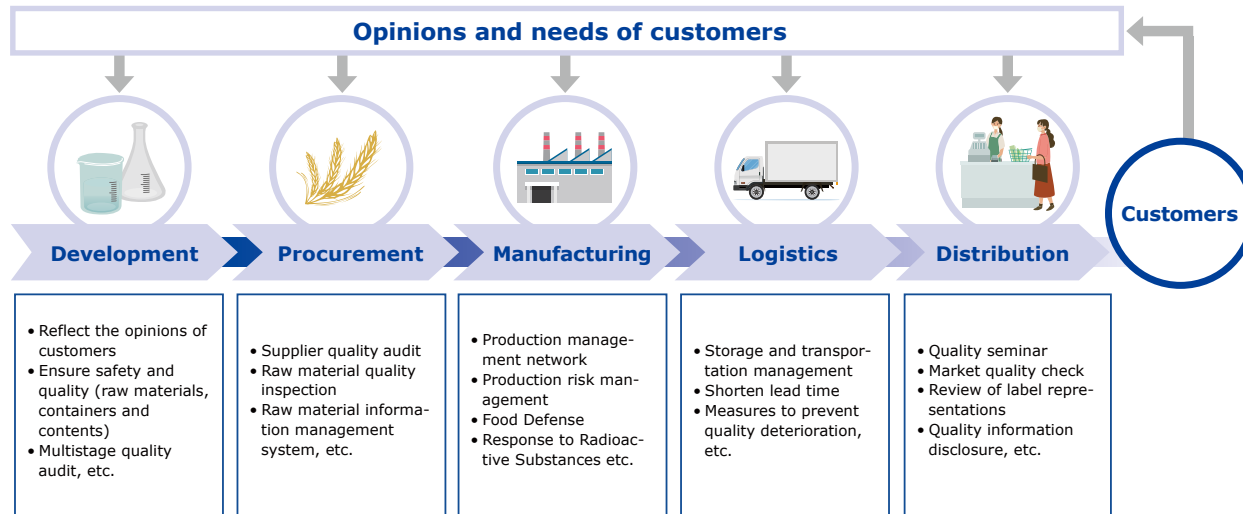
- ☐ Asahi Quality & Innovations, Ltd. Analytical Science Laboratories
- ☐ Research and development of the Asahi Group

Secure Food Safety & Reliability ▶ QA Activities in Our Supply Chain

Approach

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.

Quality Assurance Activities in Each Part of the Supply Chain



Examples of Quality Assurance Activities

- ☐ Asahi Breweries (Japanese only)
- ☐ Asahi Soft Drinks (Japanese only)
- ☐ Asahi Group Foods (Japanese only)
- ☐ Asahi Biocycle

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.

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.

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

Secure Food Safety & Reliability ▶ QA Activities in Our Supply Chain

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.

In 2021, no quality accidents* occurred within the Asahi Group, either domestically or overseas.

*Quality accidents indicate the cases 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.

Food Defense Initiatives

The Asahi Group has established guidelines demonstrating our attitude with regards to food defense response at plants, and is continuously working to construct a quality assurance system based on multilateral risk analysis from quality & safety management, service and infrastructure viewpoints.

Food defense activities, which include creating relationships of trust with employees (communication, education etc.), managing plant entry, 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 standard 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 detailed analysis of radioactive substances. Furthermore, we arrange scintillation spectrometers and survey meters as we think it is fit, and implement voluntary inspection.

Secure Food Safety & Reliability ▶ QA Activities in Our Supply Chain

2. Target of analysis

We set the frequency of monitoring on raw materials, water used, products, and materials such as containers as well as on 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, Labor 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.



Actions Taken by Domestic Group Companies

- ☐ Asahi Breweries, Ltd. (Japanese only)
- ☐ Asahi Soft Drinks Co., Ltd. (Japanese only)
- ☐ Asahi Group Foods, Ltd. (Japanese only)

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.

Related Information

- Responsible Marketing

Customers

The Asahi Group regards opinions of its customers and distributors as assets that it can leverage to enhance the quality of the Group’s management of its business. Through proactive dialogue with customers, we identify problems, develop and improve products and services, and continuously enhance customer satisfaction. We leverage these opinions in the formulation of the policies directing the Group’s activities and management.

Related Information

- Appropriate Response and Support to Consumers

Secure Food Safety & Reliability ▶ **Responsible Marketing**

Approach

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, we pay heed to alcohol-related issues such as drinking by under-aged as well as to safety, human rights issues, environmental issues, and social ethics. We pay great attention to appropriate labeling and expressions.

*In Japan: In addition to 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

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 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 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 labelling and advertising self-regulations.

Alcohol Beverages Business

Asahi Breweries Ltd. established the Labeling and Expression Review Examination Board in 1995 as the body to review and examine labeling and expressions in advertising materials from multiple perspectives. In 2001, the screening of products and promotional material were added to the Board's responsibilities, and enhancements have been made in such aspects as the Board's functions, its membership, and the system to follow 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 (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

	2017	2018	2019	2020	2021
Number of meetings	48	48	49	87	89
Number of draft proposals	2,858	3,058	2,786	3,532	4,827
Number of requiring further reporting	341	351	311	423	530

*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 to understand for customers, and for matters requiring attention, labeling that stands out and is easily recognizable.

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" and "Avoid freezing or placing strong force on the bottle." Canned products may carry warnings that they should not be placed on a stove or an open flame. 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 including people who perceive color differently than others.

Secure Food Safety & Reliability ▶ Responsible Marketing

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 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, 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 (Japanese only)
- ☐ Asahi Soft Drinks (Japanese only)
- ☐ Asahi Group Foods (Japanese only)
- ☑ Asahi Europe & 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 (g)	To make it easier for customers to choose the right alcohol product, Asahi Breweries, Ltd. discloses the amount of net alcohol content (g) contained in its main products on the can body and its website.
Warning against drinking while pregnant, breastfeeding, or under-aged (less than 20 years of age)	The following warning should be displayed on the containers of alcoholic beverages: "Drinking alcohol during pregnancy or lactation may adversely affect the development of the fetus or infant. You are not permitted to drink alcoholic beverages if you are under-aged (less than 20 years of age)." And the "Alcoholic Beverage" mark is printed to prevent misidentification as a soft drink.
Braille	To assist visually challenged customers so that they do not accidentally drink alcoholic beverages without intending to, we have put the Braille for "alcohol" on the top of all canned alcoholic 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 for 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.
- 21 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.

Allergen-Free Products

Asahi Group Foods, Ltd. offers a variety of products free of the seven specified ingredients under its Goo-Goo Kitchen and Eiyo Marche lines of baby food.

Products that do contain any of the seven specified ingredients carry large notifications on the package fronts, and a searchable allergen database is available on the company's website. In these and other ways, we are striving to address the needs of children with allergies.



Related Information (labeling for allergic ingredients contained in each product)

- ☐ Asahi Soft Drinks (Japanese only)
- ☐ Asahi Group Foods (Japanese only)

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 these.

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's laws and regulations regarding the use and labeling of genetically modified materials in foods.

Employee Education and Training

To pursue responsible marketing, the Asahi Group offers training and education to employees engaged in related operations.

Secure Food Safety & Reliability ▶ Responsible Marketing

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 and various laws and regulations, premiums and advertisements, and 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.

Secure Food Safety & Reliability ▶ Appropriate Response and Support to Consumers

Approach

At the Asahi Group, we position the voices of our customers or outlets as one of our assets that elevate the quality of our management. Furthermore, 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 utilize their voices in our management policies and the formulation of activity principles.

The very section that plays a central role in the dialogue with our customers is the Customer Service Office*. The Office's basic stance is to approach the customer who has made contact with a sense of gratitude, and we strive to respond in a timely, accurate, and courteous manner by standing in their shoes for every inquiry that has been sent.

*Customer Service Offices are available at key Asahi Group companies including Asahi Breweries, Asahi Soft Drinks and Asahi Group Foods.

Consumer Orientation Declaration

The Asahi Group has stated that the initiative policy of Asahi Group Holdings will be a "Consumer Orientation Declaration" made with the aim of realizing consumer-oriented management.

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.

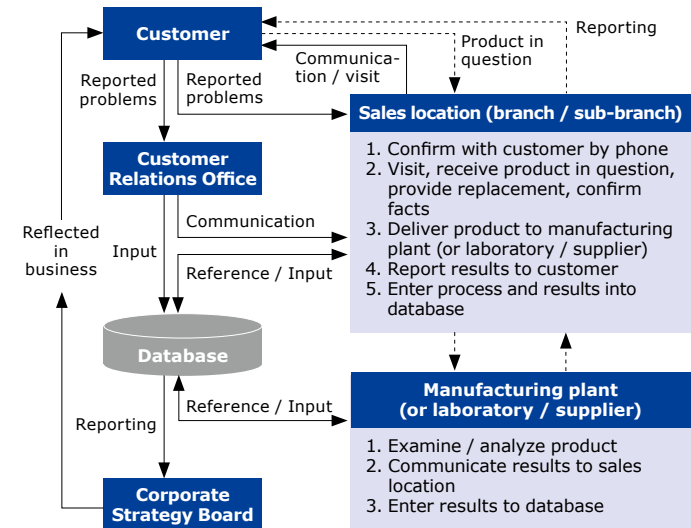
Examples of Improving Our Products and Services with the Voices of Customers of Group Companies

- ☐ Asahi Breweries (Japanese only)
- ☐ Asahi Soft Drinks (Japanese only)
- ☐ Asahi Group Foods (Japanese only)

System for Management to Monitor the Voices of Our Customers

At Asahi Breweries, Ltd., 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)



Human Resources Management

Approach

The Asahi Group has established the Group Human Resources Policy “**People Statement**” and strives to create an environment in which diverse employees around the world can work healthily and vigorously in a safe work place, 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 personnel, only the knowledge and experience necessary to perform the job are required, and 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.

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

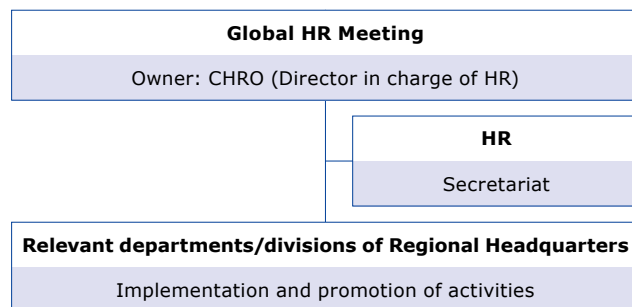
Human Resources Management

Management System

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 year to share expertise and address problems in a cross-functional manner, with the goal of facilitating the improvement of each employee.

At each of RHQ, we have established a human resources committee that passes resolutions on the appointment of members of the management team, the succession plan, the remuneration system, and other matters. A management team member of Asahi Group Holdings, Ltd. participates in the committee either as the chairperson or its member.

Human Resources Management Promotion System



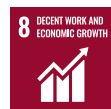
Goals

The Asahi Group will realize the “Asahi Group Philosophy” 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.

KPI

- KPI

Related SDGs



Related Information

- Talent Management
- Human Resources Management
- Respect for Human Rights
- Diversity, Equity and Inclusion

Human Resources Management ▶ Talent Management

The Asahi Group advances many different initiatives to secure and develop human resources in pursuit of the improvement of the Group's human resources, which is a necessary part of sustainable corporate growth.

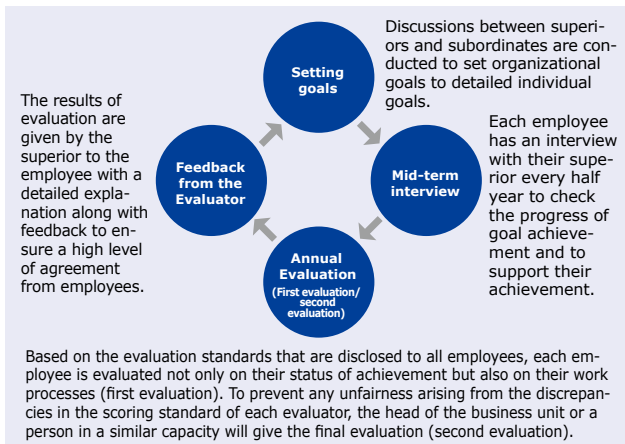
Glocal Talent Management

Human resources management has regional differences in terms of system and operations. The Asahi Group reviews this on a global basis to ensure that human resources are optimally managed both globally and locally.

In order to achieve this, we have formulated a common global policy and adopted a self-sustaining human resource management system in which RHQ management fully understands the policy and implements it on its own through close communication between the Regional Headquarters (RHQ) HR team and RHQ management. We have adopted a self-sustaining human resource management system.

Personal Evaluation System

To enable human resources and workplaces to be their best, **major Asahi Group companies** develop personal evaluations that adopt dialogue-oriented systems.



Representative Measures for Promoting Dialogue in Deployment and Transfers

System and measures	Content and results																		
Research by Human Resources Department	Employee transfers and deployment, the Human Resources Department at the company's head office and other worksites regularly review the local needs of each worksite, individual circumstances, and the personnel evaluations of each employee.																		
Career Design Sheet	A system for employees to declare their ambitions, helping them formulate long-term career plans. This system permits individual employees to apply directly to departments to which they desire to be transferred based on their career vision.																		
"Direct Appeal" System (Asahi Breweries, Ltd. Only)	<table border="1"> <thead> <tr> <th></th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Number of employees transferred under the system</td> <td>16</td> <td>20</td> <td>20</td> <td>0</td> <td>23</td> </tr> <tr> <td>Proportion of all applicants</td> <td>17%</td> <td>18%</td> <td>16%</td> <td>0%</td> <td>18%</td> </tr> </tbody> </table> <p>*In 2020, Direct Appeal was not implemented as no regular transfers occurred due to COVID-19.</p>		2017	2018	2019	2020	2021	Number of employees transferred under the system	16	20	20	0	23	Proportion of all applicants	17%	18%	16%	0%	18%
	2017	2018	2019	2020	2021														
Number of employees transferred under the system	16	20	20	0	23														
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Career Design Interview

major Group Companies use a "Career Design Sheet" that employees personally complete on an annual basis to encourage them to reflect on their career development. All employees are required to conduct interviews with their supervisors and subordinates based on the responses they provide in this sheet, and supervisors subsequently provide career support to their subordinates.

Remuneration System

Basic Policy on Employee Remuneration

Concerning employee remuneration, **major Asahi Group companies** have a basic policy of handsomely rewarding those who have made achievements by fully exerting their capabilities. With regard to permanent employees, the revised monthly salary based on the personnel evaluation of the previous year will be given. In addition, bonus that is linked to the individual's evaluation and performance will be provided in June and December. The monthly salary of those in a managerial position will be decided based on the role they play, and for general employees, salary will be 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 actions during the annual personnel 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 the non-permanent employees as well, and the remuneration is based on the individual evaluation.

Employee Salary

Average Annual Employee Salary

	2017	2018	2019	2020	2021
Average annual employee salary	¥10,012,219	¥10,937,459	¥12,504,083	¥13,251,563	¥11,146,637

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

Human Resources Management ▶ Talent Management

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., and Asahi Food Create, Ltd., Asahi Beer Feed Co., Ltd.

*As of January 2022

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 2021, the meeting was held in June.

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

	2017	2018	2019	2020	2021
Number of employees	6,290	6,679	6,812	7,277	7,219
Ratio	58.1%	56.2%	62.1%	64.8%	65.1%

*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. and Michinoku, Ltd.

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

Employee Engagement

Using Engagement Surveys to Increase the Sophistication of Human Capital

The Asahi Group conducts surveys every other year to gauge the awareness of its employees in Japan and overseas. To increase the engagement of employees, the survey investigates the enhancement of employees' career awareness, the encouragement of diversity and the maintenance of appropriate PDCA cycles based on an understanding of workplace environments.

Status of the Survey in 2021

In 2021, the Asahi Group conducted a global-wide engagement survey for the first time, with 25,416 employees (87% response rate) completing the survey. Based on the survey results, companies within Asahi Group identified problems and implemented corrective actions to improve and increase employee engagement.

Plan for 2022

Following the study completed in 2021, a global-wide Pulse survey will be conducted in 2022.

The results of the survey will be reported to all of the companies including a comparative analysis of the

differences from the standard values for each region, differences from the standard values of the Asahi Group overall and trends recognizable in the answers to the open response questions. Based on the survey results, the companies will formulate and implement action plans and evaluate their progress on a regular basis. We will implement an appropriate PDCA cycle and increase the sophistication of our human capital through the conducting of awareness surveys on the group company level depending on their situations.

Global Engagement Survey Scores by Category

	Categories	Scores
1.	Sustainable Engagement	79
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 Wellbeing	75
16.	COVID-19	74
17.	Asahi Group Philosophy	72

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

Human Resources Management ▶ Activities for Human Resources Development

Human Resources Development of the Asahi Group

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. Since 2020, we have been running a program called LEAD which is 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.

	Glocal business manager talent development Selective programs		Professional talent development	Training Program	Career Development Support Program			
	LEAD Executive	Global Leadership Development Program: Executive			E-learning and Web seminar	Counseling		
Executive and managerial personnel	LEAD Advanced	Global Leadership Development Program: Advanced	VC talent development*1	Newly appointed Officer training	Line manager	55-year-old		
	LEAD Emerging			Newly appointed line manager training				
	LEAD Start*2	Global Challengers Program		Invitation-based training programs				
All employees				Business skill improvement training			50s	
				New employee induction			40s	
							30s	
Structuring of a platform for learning (E-learning)								

*1 VC: value creation.

*2 LEAD is the acronym for Leadership Enhancement Agility Development, and is a program designed to train corporate leaders.

Performance

Hours of Training on Human Resources Development Provided and Number of Participants

Program	2020		2021	
	Participants	Cumulative hours	Participants	Cumulative hours
New employee induction	240	5,400	369	9,558
Business skill improvement training			140	420
Newly appointed Officer training			0	0
Career development seminar for 30s	44	154	33	116
Career development seminar for 40s	15	53	32	112
Career development seminar for 50s	31	124	52	182
Newly appointed line manager training	49	1,032	64	256
LEAD Start	34	765	31	930
LEAD Emerging	25	2,250	23	2,070
LEAD Advanced	23	2,415	21	2,520
LEAD Executive	14	1,050	13	1,365
Global Challengers Program	2	5,445	3	3,465
Global Leadership Development Program:Advanced	8	24	8	150
Global Leadership Development Program:Executive	Postponed to 2022 due to COVID-19		0	0
Total	485	18,712	789	21,144

Human Resources Management ▶ Activities for Human Resource Development

Average Cost of Training (Average per Employee, Asahi Breweries, Ltd.)

The Asahi Group is committed to human resources development, with a target of at least JPY 60,000 per employee on training in 2022.

*Applies to: Asahi Group Holdings, Ltd., Asahi Group Japan, Ltd., Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd. and Asahi Group Foods, Ltd.

	2017	2018	2019	2020	2021
Average cost of training per employee (approximate hours/month)	¥71,000	¥69,000	¥52,000	¥39,000	¥60,000

*Scope of aggregation: Up to 2019, the figure included only Asahi Breweries, Ltd. From 2020, the figure includes the figures from **major group companies**.

Career Development Support Program

The Asahi Group supports its employees independently building their careers.

Career Design e-learning

Major Asahi Group companies have developed Career Design e-learning programs since 2020. The goal of the 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 group companies** 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 Seminar

To deepen employees' learning from e-learning programs, **major group companies** launched career design seminars for employees in their 30s, 40s and 50s. From 2020, it has been made available online to enable teleworkers to participate.

Online Career Interview

Asahi Group Holdings, Ltd. established Career Support Group within its Human Resources Department and online career interviews by nationally qualified career consultants are provided at our **major group companies**.

The number of participants in Career Development Support Program

Support Programs	2021
Career Design e-learning	389
E-learning Program for Supervisors to Improve their Career Interviews	84
Web Career Design Seminar	117
Online Career Interview	229
Total	819

Training Program

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 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 counter-

measures for those tendencies, adjustment of evaluations, and promotion of understanding of diversity—which is one of the 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 group companies 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 group companies of the Asahi Group jointly provide induction training to new employees. Conventionally, induction training was conducted by gathering the trainees in a single space. In 2021, as in 2020, all of the training sessions were moved online due to the COVID-19 pandemic. A program is being independently provided with the goal of enhancing understanding of the Asahi Group Philosophy ("AGP") and the Asahi Group as a whole, and to facilitate the learning of business manners.

Human Resources Management ▶ Activities for Human Resource Development

Selective Programs

LEAD Program

Under this program, the Group selects talents who strongly aspire to become future corporate directors from group companies in Japan through an open recruitment or nomination process.

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 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 AGP.

GLDP Advanced

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

*In 2020, GLDP Advanced was postponed to 2021 due to COVID-19.

Global Challengers Program (GCP)

OJT (on-the-job training) is provided at overseas Asahi Group companies with the objectives of achieving Glocal business management with value creation based on AGP and systematically developing, from early stages, the human resources who will become capable of taking on leadership roles in a global market during an age of VUCA. The GCP targets young Japanese employees who aspire to become Glocal 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 overseas for between one year and one and a half years with the goal of systematically developing, from early stages, the human resources that will be capable of pursuing global careers. To date, more than 50 employees have been sent overseas 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.

Safety and Well-being

Approach

The Asahi Group has formulated the “Safety and Well-Being Statement” based on the belief that employee health and safety and well-being are significant.

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.

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 our 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.

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.

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.)

The Asahi Group will continue its activities thoroughly to ensure the safety of employees at workplaces, and will aggressively advance health improvement activities.

Management System

The companies of the Asahi Group in Japan have established Safety and Health Committees and similar bodies including representatives from both management and Labor union that meet once a month at workplaces. In this way, they are committed to the continued improvement of worker safety, hygiene and health.

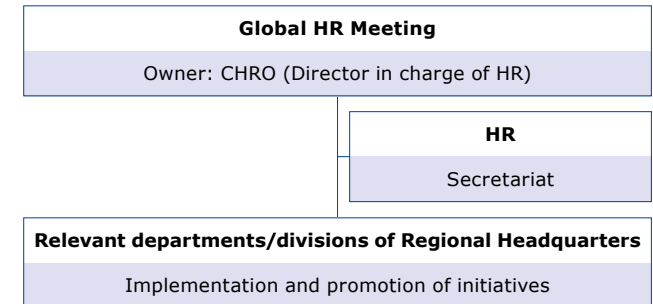
Furthermore, by focusing on initiatives to eradicate and reduce potential risks at each brewery through risk assessment*, we promote safety and health initiatives with full participation under the strong conviction that worker injuries can be eliminated.

Overseas companies of the Asahi Group participate in regular Global HR Meetings including regional HR representatives. At the meetings, participants discuss principles, KPIs and activities related to worker safety and health.

*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.

Global HR Meeting



Goals

The Asahi Group will realize the Asahi Group Philosophy 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.

Safety and Well-being

KPI

- The following five items from the results of the Group Global Engagement Survey will be monitored regularly as common global indicators, and proactive action will subsequently be taken to improve the scores:
 1. Company management is interested in the well-being of employees.
 2. I feel the company supports my personal well-being (both mental and physical).
 3. I am able to sustain the level of energy I need throughout the work day.
 4. My work schedule allows sufficient flexibility to meet my personal/family needs.
 5. My company does a good job of ensuring workers' health and safety wherever we operate.

Related SDGs



Related Information

- 🔗 For Employee Safety
- 🔗 For Employee Health
- 🔗 Respect for Human Rights

Safety and Well-being ▶ For Employee Safety

Our Approach to Occupational Safety and Health

The Asahi Group promotes independent safety and health initiatives that are suitable to 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 the Discipline), compliance with safety rules, following through with risk assessment, strengthening of training and support, eradication of multiple 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.

Occurrence of Industrial Accidents

Numbers of Industrial Accidents

Regular and Contract Employees

	2017	2018	2019	2020	2021	
Asahi Breweries, Ltd.	Lost time	1	1	1	0	1
	Non-lost time	1	0	1	4	4
	Fatal	0	0	0	0	0
	Total	2	1	2	4	5
Asahi Soft Drinks Co., Ltd.	Lost time	2	3	0	0	0
	Non-lost time	1	3	1	3	1
	Fatal	0	0	0	0	0
Asahi Group Foods, Ltd.	Lost time	0	0	1	0	2
	Non-lost time	1	4	5	3	4
	Fatal	0	0	0	0	0
Total	1	4	6	3	6	

*Target period: January to December 2021

*Excluding temporary and subcontractors' employees

*The 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 getting caught between or under objects, 1 involving a fall and 1 involving contact with very hot or very cold objects)

*The number of industrial accidents in 2020: 10 accidents without lost work time (4 cases involving cutting or rubbing, 1 involving a fall, 1 involving getting 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 getting caught between or under an object, and 1 other)

*The 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 getting hit by a flying or falling object, 2 involving getting caught between or under an object, 3 involving contact with very hot or very cold objects, and 1 involving contact with harmful factors)

Subcontractors' Employees

	2017	2018	2019	2020	2021	
Asahi Breweries, Ltd.	Fatal accidents	0	1	0	0	1
Asahi Soft Drinks Co., Ltd.	Fatal accidents	0	0	0	0	0
Asahi Group Foods, Ltd.	Fatal accidents	0	0	1	0	0
Total of 3 companies	Fatal accidents	0	1	1	0	1

*Target period: January to December 2021

Rates of Industrial Accidents

Regular and contract employees

		2017	2018	2019	2020	2021
Asahi Breweries, Ltd.	Frequency rate	0.97	1.19	0.4588	0	0
	Severity rate	0.0075	0.0160	0.0326	0	0
	LTIFR	-	-	-	0.95	0
	TRIFR	-	-	-	3.79	2.36
Asahi Soft Drinks Co., Ltd.	LTIFR	-	-	-	0.27	0.25
	TRIFR	-	-	-	0.82	0.25
Asahi Europe & International Ltd.	LTIFR	-	-	-	1.78	3.39
	TRIFR	-	-	-	3.95	6.28
Asahi Holdings (Australia) Pty Ltd.	LTIFR	-	-	-	6.26	8.53
	TRIFR	-	-	-	14.5	13.5
Asahi Holdings Southeast Asia Sdn. Bhd.	LTIFR	-	-	-	1.44	0
	TRIFR	-	-	-	3.41	0.22
Total of 5 companies	LTIFR	-	-	-	2.33	2.43
	TRIFR	-	-	-	5.51	4.52

Notes:

•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 x 1,000,000

•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 x 1,000

*LTIFR (Lost Time Injuries Frequency Rate): total hours of lost working time / cumulative work hours x 1,000,000

*TRIFR (Total Recordable Injury Frequency Rate): total number of industrial accidents/ cumulative work hours x 1,000,000

*In 2021, companies subject to disclosure account for 78% of the entire Group (based on revenue).

Safety and Well-being ▶ For Employee Safety

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 & International Ltd. and Asahi Group Holdings Southeast Asia Sdn. Bhd. This accounts for 26 percent of production sites managed globally by the Group.

Asahi Europe & International Ltd.

Country	Business site	Certification	Year certified
Italy	Birra Peroni Rome Brewery	ISO45001	2019
	Birra Peroni Bari Brewery	ISO45001	2019
	Birra Peroni Padua Brewery	ISO45001	2019
	Birra Peroni Saplo Malthouse	ISO45001	2019
Netherlands	Grolsch Brewery	ISO45001	2021
	Poznan Brewery	ISO45001	2019
Poland	Tychy Brewery	ISO45001	2019
	Bialystok Brewery	ISO45001	2019
Czech Republic	Plzen Brewery	ISO45001	2020
	Velke Popovice Brewery	ISO45001	2020
Slovakia	Nosovice Brewery	ISO45001	2020
	Saris Brewery	ISO45001	2020
Hungary	Dreher Brewery	ISO45001	2020
	Buzau Brewery	ISO45001	2020
Romania	Brasov Brewery	ISO45001	2020
	Timisoara Brewery	ISO45001	2020

Asahi Group Holdings Southeast Asia Sdn. Bhd.

Country	Business site	Certification	Year certified
Malaysia	EBSB (Etika Beverages Sdn. Bhd.)	ISO45001	2019
	EDSB (Etika Dairies Sdn. Bhd.)	ISO45001	2020

Awards Concerning Occupational Safety and Health

Name of Company and Business Unit	Award Year	Name of Award
Asahi Breweries, Ltd., Ibaraki Brewery	FY2013	Accident-free Record Certification, Class 1 4.5 million hours accident-free Awarded by Labor Standards Bureau, Ministry of Health, Labor & Welfare
Asahi Breweries, Ltd., Kanagawa Brewery	FY2016	Excellence Award from the Director of Labour Standards Bureau, Ministry of Health, Labour and Welfare
Asahi Breweries, Ltd., Nagoya Brewery	FY2016	Excellence Award from the Aichi THP (Total Health Promotion) Council, Aichi Labour Bureau THP (Total Health Promotion) Council of Japan
Asahi Breweries, Ltd., Suita Brewery	FY2017	Encouragement Award from the Director of Labour Standards Bureau, Ministry of Health, Labour and Welfare
Asahi Breweries, Ltd., Shikoku Brewery	FY2019	Excellent Business Site for Health and Safety Award (Encouragement Award) from the Minister of Health, Labour and Welfare

Safety Training

In addition to education mandated by law, Asahi Breweries 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

Training	FY2018	FY2019	FY2020	FY2021
For Managers	25	13	11	14
For Supervisors	53	41	77	45
For Employees	470	161	92	210

*Scope of aggregation: Asahi Breweries, Ltd.
*Target period: January to December 2021

Safety and Well-being ▶ For Employee Health

In the Asahi Group, we attach importance to employees' physical and mental health and help each of them to enrich their lifestyle. We believe that these initiatives will also lead to the growth of the company.

Initiative of Good Health

The Asahi Group (in Japan) holds regular meetings of the Group Council for Initiative of Good Health, where people from companies, labor unions, and Asahi Group Health Insurance Association discuss health-related issues. We proceed with initiatives for promoting good health after showing our commitment to them to the management.

To strengthen and develop these initiatives, the Asahi Group Health and Productivity Management Policy were established in 2021 in accordance with the Safety and Well-being Statement. Below is an overview of health initiatives in Japan.

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.

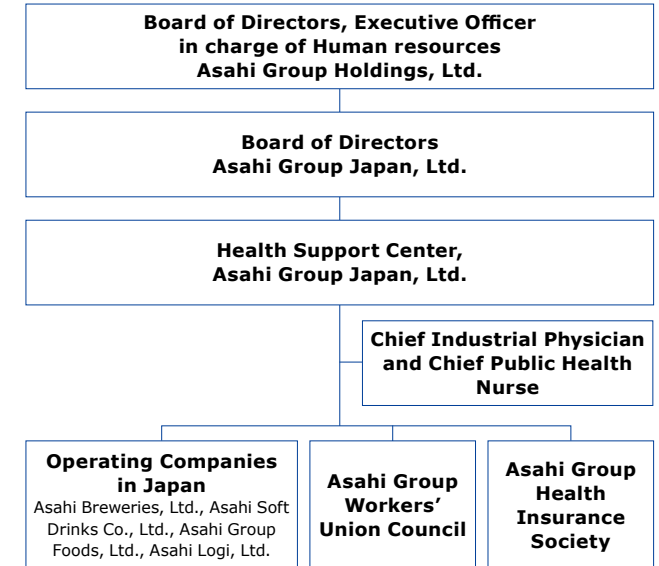
The Asahi Group companies promise their employees that they:

- 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.

Group Health Promotion Structure (in Japan)

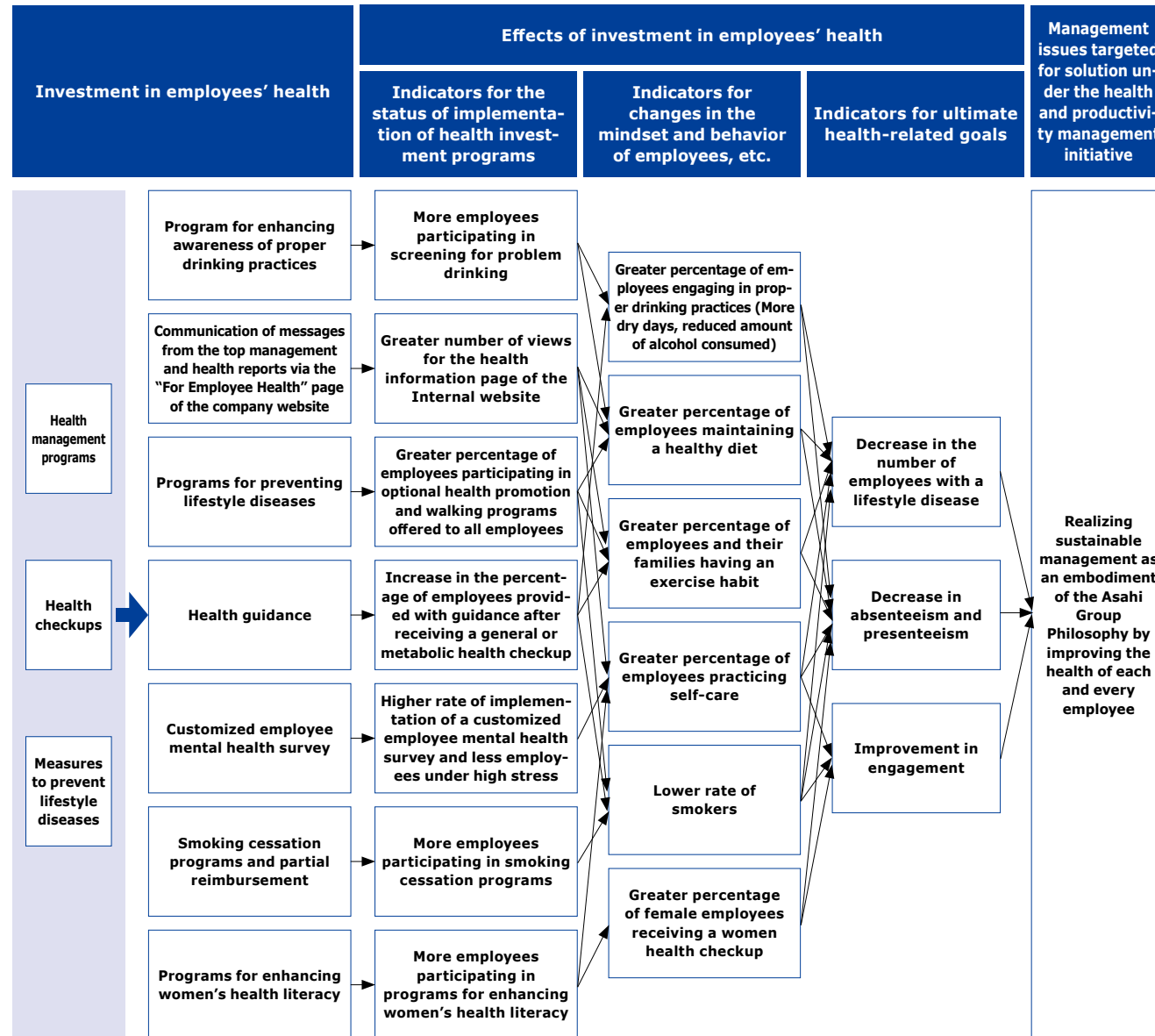


Specific Initiatives

The Asahi Group (in Japan) is promoting health and productivity management by seeking to understand the linkage between management issues targeted for solution under the initiative and specific programs designed to promote the good health of employees. We believe it is important to monitor changes in the health indicators over time, thereby rotating the PDCA cycle to further improve the physical and mental health of employees.

Safety and Well-being ▶ For Employee Health

Strategy map



Safety and Well-being ▶ For Employee Health

Health Indicators

	Target		2017	2018	2019	2020	2021
	Year	Target Value					
Percentage of employees undergoing stress checks	-	100%	91.8%	92.2%	93.6%	95.0%	95.1%
Stress checks (Percentage of employees under high stress)	-	-	-	5.4%	5.3%	4.3%	5.2%
Percentage of employees who are smokers	2025	19%	32.3%	31.6%	31.0%	30.2%	29.1%
Percentage of employees who received a regular health checkup	-	-	-	100%	100%	100%	100%
Percentage of employees who received a detailed examination	-	-	-	77.5%	62.6%	73.8%	71.7%
Rate of employees maintaining appropriate weight (employees with a BMI between 18.5 and 25)	-	-	59.3%	59.3%	64.1%	61.0%	65.4%
Percentage of employees engaged in habitual exercise*1	-	-	21.8%	22.7%	25.7%	26.8%	31.2%
Percentage of employee ensuring proper sleep and nutrition	-	-	57.6%	59.1%	62.2%	75.1%	73.4%
Percentage of employees with metabolic syndrome*2	-	-	34.8%	34.9%	36.1%	37.6%	36.8%
Percentage of employees undergoing special health check-ups	By 2023	98%	97.6%	97.7%	98.3%	98.6%	98.6%
Percentage of employees implementing specific health guidance	By 2023	45%	22.1%	19.2%	25.6%	27.6%	46.5%
Percentage of high-risk employees provided with health guidance*3	-	-	-	-	-	90.1%	87.1%
Percentage of high-risk employees under health control (treatment maintained)	-	-	-	-	94.4%	95.8%	95.3%
Percentage of employees participating in programs for preventing life-style diseases	-	-	-	16.6%	22.0%	25.7%	19.9%
Degree of satisfaction with the programs for preventing lifestyle diseases	-	-	-	91.3%	88.7%	89.0%	85.6%
Rate of implementation of e-learning designed to enhance awareness of proper drinking practices*4	-	100%	-	88.8%	94.5%	95.6%	95.2%
Number of employees taking a leave of absence due to illness or injury*3	-	-	-	65 people	57 people	57 people	53 people
Number of employees absent from work due to illness or injury*3	-	-	-	185 people	149 people	140 people	147 people
Absolute presenteeism (WHO-HPQ)	2025	70 points	-	-	-	63.4 points	66.5 points
Engagement*5	-	-	-	51	51	51	52

*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 from 2019. Data on employees with metabolic syndrome, employees undergoing special health check-ups 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 to which the standard applies + the percentage who fall under the preliminary group

*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).

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
- Enhancement of health guidance system for employees
- Industrial health staff from each business unit to work as key planners and managers of health support

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 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.

Safety and Well-being ▶ For Employee Health

<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, Ltd. is striving to advance the health of its employees through the Asahi Group's basic approach for health advancement and based on five perspectives.

<Specific Initiatives>

- Implementing health advancement measures for employees at each business site
- Implementing the My Health Up campaign (improving lifestyle habits)
- Implementing anti-smoking measures at business sites
- Enhancing health guidance systems for employees

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 go in for a checkup upon return to their original country of employment.

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.

Labour Risk Assessment

To ensure strict adherence to fair labour practices in its business activities, the Asahi Group conducts risk assessments concerning labour 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 labour-management agreements based on Article 36 of the Labour Standards Act.

When a problem occurs, the cause is investigated with management and supervisory personnel and measures are taken to prevent recurrence. Furthermore, the company not only reports 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 sign-off on 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.

Safety and Well-being ▶ For Employee Health

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, the Asahi Group Holdings is working to increase motivation and productivity by creating an environment that allows employees to choose a more flexible work style, including super flextime, teleworking programs, use of Teams and shared office.

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

	2017	2018	2019	2020	2021
Acquisition ratio of paid leave	63.0%	65.76%	71.75%	60.7%	63.4%
Number of days of paid leave obtained	11.7	12.5	13.5	11.4	12.2

*Scope of aggregation: Major Asahi Group companies ([Click here](#) for more information)

*Target period: January to December 2021

Monthly Average Overtime Work Hours among Employees

	2017	2018	2019	2020	2021
Average monthly overtime work hours	20.3 h	21.1 h	21.1 h	19.1 h	20.8 h

*Scope of aggregation: Major Asahi Group companies ([Click here](#) for more information)

*Target period: January to December 2021

External Evaluation

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

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 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 the joint program that selects enterprises that work to manage the health and productivity of employees from a managerial perspective and establish strategic efforts accordingly.

Related Information

● Evaluations for Diversity Promotion

Outside Evaluations/Awards

Inclusion in SRI Indexes

The Asahi Group has been included in several major Socially Responsible Investment (SRI) indexes and funds worldwide. SRI 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

Evaluation of IR Activities

The Asahi Group has been highly rated in terms of the timely and appropriate disclosure of information, the easy-to-understand nature of 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 Achievements

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
- Evaluations for Health Management

Data for Sustainability Data Book

Environment

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Environmental Accounting	P26
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GRI Standard Contents Index

This DATA BOOK was prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option.

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General Standard Disclosures		
Organizational profile		
102-1	Name of the organization	☐Company>Corporate Profile
102-2	Activities, brands, products, and services	☐Our Business
102-3	Location of headquarters	☐Company>Corporate Profile
102-4	Location of operations	☐Company>Our Group Companies
102-5	Ownership and legal form	☐Company>Corporate Profile
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102-10	Significant changes to the organization and its supply chain	☑Financial report (Japanese only) P191
102-11	Precautionary Principle or approach	☐Company>Group Policies / Corporate Governance>Risk Management / Crisis Management ☐INVESTORS>Management Information>Enterprise Risk Management
102-12	External initiatives	●P19 Communication with Stakeholders
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102-14	Statement from senior decision-maker	☐Company Profile>CEO Message ☑Integrated Report FY2021 P11-16
102-15	Key impacts, risks, and opportunities	●P7 Material Issues ☐INVESTORS>Management Information>Enterprise Risk Management

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Disclosure Number	Title	Location and Notes
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102-17	Mechanisms for advice and concerns about ethics	☐Company>Group Policies / Corporate Governance>Compliance Promotion
Governance		
102-18	Governance structure	☐Company>Group Policies / Corporate Governance>Concept and System
102-19	Delegating authority	●P3 Sustainability at the Asahi Group ☐Company>Group Policies / Corporate Governance>Concept and System
102-20	Executive-level responsibility for economic, environmental, and social topics	●P3 Sustainability at the Asahi Group
102-21	Consulting stakeholders on economic, environmental, and social topics	●P19 Communication with Stakeholders
102-22	Composition of the highest governance body and its committees	☐Company>Group Policies / Corporate Governance>Concept and System
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102-24	Nominating and selecting the highest governance body	☒Corporate Governance Report
102-25	Conflicts of interest	☒Corporate Governance Report
102-26	Role of highest governance body in setting purpose, values, and strategy	●P3 Sustainability at the Asahi Group
102-27	Collective knowledge of highest governance body	●P3 Sustainability at the Asahi Group ☐Dialogue with Stakeholders
102-28	Evaluating the highest governance body's performance	☒Evaluation Results of the Effectiveness of the Board of Directors, the Nomination Committee and the Compensation Committee (March 25, 2022)
102-29	Identifying and managing economic, environmental, and social impacts	●P7 Material Issues ●P3 Sustainability at the Asahi Group
102-30	Effectiveness of risk management processes	●P7 Material Issues ☐Company>Group Policies / Corporate Governance>Risk Management / Crisis Management ☐INVESTORS>Management Information>Enterprise Risk Management
102-31	Review of economic, environmental, and social topics	●P7 Material Issues ☐INVESTORS>Management Information>Enterprise Risk Management

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Disclosure Number	Title	Location and Notes
102-32	Highest governance body's role in sustainability reporting	●P3 Sustainability at the Asahi Group
102-33	Communicating critical concerns	☐Company>Group Policies / Corporate Governance>Compliance Promotion ☐Company>Group Policies / Corporate Governance>Risk Management / Crisis Management ☐INVESTORS>Management Information>Enterprise Risk Management ☐Company>Group Policies / Corporate Governance>Concept and System
102-34	Nature and total number of critical concerns	☐Company>Group Policies / Corporate Governance>Risk Management / Crisis Management ☐INVESTORS>Management Information>Enterprise Risk Management ☐Company>Group Policies / Corporate Governance>Compliance Promotion
102-35	Remuneration policies	☐Company>Group Policies / Corporate Governance>Concept and System ☑Corporate Governance Report
102-36	Process for determining remuneration	☐Company>Group Policies / Corporate Governance>Concept and System ☑Corporate Governance Report
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102-46	Defining report content and topic Boundaries	●P7 Material Issues ●P2 Editorial Policy for SUSTAINABILITY DATA BOOK
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102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	🔗P2 Editorial Policy for SUSTAINABILITY DATA BOOK
102-54	Claims of reporting in accordance with the GRI Standards	Core option
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103-1	Explanation of the material topic and its Boundary	🔗P7 Material Issues 🔗P22 Environment 🔗P89 People 🔗P112 Communities 🔗P119 Health 🔗P125 Responsible Drinking
103-2	The management approach and its components	🔗P3 Sustainability at the Asahi Group 📄Company>Group Policies / Corporate Governance>Compliance Promotion>Whistle-Blower Scheme
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201-2	Financial implications and other risks and opportunities due to climate change	🔗P46 Respond to TCFD Recommendations 📄INVESTORS>Management Information>Enterprise Risk Management

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Disclosure Number	Title	Location and Notes
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201-4	Financial assistance received from government	☑Financial report (Japanese only) P118
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202-2	Proportion of senior management hired from the local community	🔵P109 Status of Employment
203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	🔵P114 Activities (Realize Sustainable Communities through the Creation of People-to-People Connections)
203-2	Significant indirect economic impacts	🔵P114 Activities (Realize Sustainable Communities through the Creation of People-to-People Connections) 🔵P146 Cooperation with Suppliers
204: Procurement Practices		
204-1	Proportion of spending on local suppliers	—
205: Anti-corruption		
205-1	Operations assessed for risks related to corruption	☑Company>Group Policies / Corporate Governance>Compliance Promotion
205-2	Communication and training about anti-corruption policies and procedures	☑Company>Group Policies / Corporate Governance>Asahi Group Anti-Bribery Principles ☑Company>Group Policies / Corporate Governance>Compliance Promotion
205-3	Confirmed incidents of corruption and actions taken	☑Company>Group Policies / Corporate Governance>Compliance Promotion
206: Anti-competitive Behavior		
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	—
207:Tax		
207-1	Approach to tax	☑Company>Group Policies / Corporate Governance>Asahi Group's Tax Code of Conduct
207-2	Tax governance, control, and risk management	☑Company>Group Policies / Corporate Governance>Asahi Group's Tax Code of Conduct
207-3	Stakeholder engagement and management of concerns related to tax	☑Company>Group Policies / Corporate Governance>Asahi Group's Tax Code of Conduct
207-4	Country-by-country reporting	☑Company>Group Policies / Corporate Governance>Tax strategy

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Disclosure Number	Title	Location and Notes
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301-2	Recycled input materials used	●P63 Sustainable Packaging ●P65 Activities (Sustainable Packaging)
301-3	Reclaimed products and their packaging materials	●P65 Activities (Sustainable Packaging)
302: Energy		
302-1	Energy consumption within the organization	●P37 Performance (Respond to Climate Change) ●P25 Environmental Achievements
302-2	Energy consumption outside of the organization	●P37 Performance (Respond to Climate Change)
302-3	Energy intensity	●P37 Performance (Respond to Climate Change)
302-4	Reduction of energy consumption	●P37 Performance (Respond to Climate Change) ●P40 Activities (Respond to Climate Change)
302-5	Reductions in energy requirements of products and services	●P37 Performance (Respond to Climate Change) ●P40 Activities (Respond to Climate Change)
303: Water and Effluents		
303-1	Interactions with water as a shared resource	●P77 Sustainable Water Resources ●P80 Activities (Sustainable Water Resources)
303-2	Management of water discharge-related impacts	●P77 Sustainable Water Resources ●P80 Activities (Sustainable Water Resources)
303-3	Water withdrawal	●P78 Performance (Sustainable Water Resources)
303-4	Water discharge	●P78 Performance (Sustainable Water Resources)
303-5	Water consumption	●P78 Performance (Sustainable Water Resources)
304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	●P88 Biodiversity Conservation

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Disclosure Number	Title	Location and Notes
304-2	Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> ●P88 Biodiversity Conservation ●P74 Activities (Sustainable Agricultural Raw Materials)
304-3	Habitats protected or restored	<ul style="list-style-type: none"> ●P114 Activities (Realize Sustainable Communities through the Creation of People-to-People Connections) ●P88 Biodiversity Conservation
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	—
305: Emissions		
305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> ●P37 Performance (Respond to Climate Change) ●P25 Environmental Achievements ●P36 Respond to Climate Change
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> ●P37 Performance (Respond to Climate Change) ●P25 Environmental Achievements ●P36 Respond to Climate Change
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> ●P37 Performance (Respond to Climate Change) ●P25 Environmental Achievements ●P36 Respond to Climate Change
305-4	GHG emissions intensity	●P37 Performance (Respond to Climate Change)
305-5	Reduction of GHG emissions	<ul style="list-style-type: none"> ●P37 Performance (Respond to Climate Change) ●P40 Activities (Respond to Climate Change)
305-6	Emissions of ozone-depleting substances (ODS)	—
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	●P83 Reduction of Waste and Prevention of Pollution
306: Waste		
306-1	Waste generation and significant waste-related impacts	●P83 Reduction of Waste and Prevention of Pollution
306-2	Management of significant waste-related impacts	●P83 Reduction of Waste and Prevention of Pollution
306-3	Waste generated	●P83 Reduction of Waste and Prevention of Pollution
306-4	Waste diverted from disposal	●P83 Reduction of Waste and Prevention of Pollution
306-5	Waste directed to disposal	●P83 Reduction of Waste and Prevention of Pollution
307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	●P29 Environmental Management

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Disclosure Number	Title	Location and Notes
308: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	◆P146 Cooperation with Suppliers
308-2	Negative environmental impacts in the supply chain and actions taken	◆P140 Supplier CSR Questionnaire
Social		
401: Employment		
401-1	New employee hires and employee turnover	◆P109 Status of Employment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	◆P107 Supporting Diverse Ways of Working
401-3	Parental leave	◆P107 Supporting Diverse Ways of Working
402: Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	◆P161 Talent Management
403: Occupational Health and Safety		
403-1	Occupational health and safety management system	◆P168 For Employee Safety
403-2	Hazard identification, risk assessment, and incident investigation	◆P168 For Employee Safety
403-3	Occupational health services	◆P168 For Employee Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	◆P166 Safety and Well-being ◆P168 For Employee Safety
403-5	Worker training on occupational health and safety	◆P168 For Employee Safety
403-6	Promotion of worker health	◆P170 For Employee Health
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	◆P168 For Employee Safety
403-8	Workers covered by an occupational health and safety management system	◆P168 For Employee Safety
403-9	Work-related injuries	◆P168 For Employee Safety
403-10	Work-related ill health	—
404: Training and Education		
404-1	Average hours of training per year per employee	◆P163 Activities for Human Resource Development

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Disclosure Number	Title	Location and Notes
404-2	Programs for upgrading employee skills and transition assistance programs	●P163 Activities for Human Resource Development
404-3	Percentage of employees receiving regular performance and career development reviews	●P161 Talent Management
405: Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	●P101 Diversity, Equity and Inclusion ●P109 Status of Employment ●P103 Empowering Human Resources from Diverse Backgrounds □Company>Group Policies / Corporate Governance>Concept and System
405-2	Ratio of basic salary and remuneration of women to men	—
406: Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken	□Company>Group Policies / Corporate Governance>Compliance Promotion ●P100 Consultation Service on Human Rights
407: Freedom of Association and Collective Bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	—
408: Child Labor		
408-1	Operations and suppliers at significant risk for incidents of child labor	●P91 Human Rights Principles ●P92 Our Human Rights Due Diligence Process ●P140 Supplier CSR Questionnaire
409: Forced or Compulsory Labor		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	●P91 Human Rights Principles ●P92 Our Human Rights Due Diligence Process ●P140 Supplier CSR Questionnaire
410: Security Practices		
410-1	Security personnel trained in human rights policies or procedures	—
411: Management approach disclosures		
411-1	Incidents of violations involving rights of indigenous peoples	—

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Disclosure Number	Title	Location and Notes
412: Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> 🔗P91 Human Rights Principles 🔗P92 Our Human Rights Due Diligence Process 🔗P140 Supplier CSR Questionnaire
412-2	Employee training on human rights policies or procedures	<ul style="list-style-type: none"> 🔗P91 Human Rights Principles 🔗P92 Our Human Rights Due Diligence Process
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<ul style="list-style-type: none"> 🔗P146 Cooperation with Suppliers
413: Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	<ul style="list-style-type: none"> 🔗P114 Activities (Realize Sustainable Communities through the Creation of People-to-People Connections)
413-2	Operations with significant actual and potential negative impacts on local communities	—
414: Supplier Social Assessment		
414-1	New suppliers that were screened using social criteria	<ul style="list-style-type: none"> 🔗P146 Cooperation with Suppliers
414-2	Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> 🔗P138 Promotion of CSR Procurement 🔗P146 Cooperation with Suppliers 🔗P140 Supplier CSR Questionnaire
415: Public Policy		
415-1	Political contributions	*Total political donations
416: Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> 🔗P148 Secure Food Safety & Reliability 🔗P152 QA Activities in Our Supply Chain 🔗P149 Quality Assurance System
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> 🔗P148 Secure Food Safety & Reliability
417: Marketing and Labeling		
417-1	Requirements for product and service information and labeling	<ul style="list-style-type: none"> 🔗P155 Responsible Marketing 🔗P128 Activities (Reduction in Inappropriate Drinking)

Sustainability Reporting Guidelines

Disclosure Number	Title	Location and Notes
417-2	Incidents of non-compliance concerning product and service information and labeling	●P148 Secure Food Safety & Reliability
417-3	Incidents of non-compliance concerning marketing communications	●P148 Secure Food Safety & Reliability
418: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	—
419: Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	—

*Note: Political donations in 2021 totalled ¥3.5 million.

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SASB Content Index

Among the industry-specific standards set by the Sustainability Accounting Standards Board (SASB), 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, %	(1) OP39 Changes in Energy Consumption and Basic Units* *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) OP39 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-AB-140a.1	1,000m ³ , %	(1) Total water withdrawn 39,602.37 (1,000m ³) CDP Water Security 2022 Questionnaire w1.2b (Japanese Only) (2) Total water consumed 14,066.53 (1,000m ³) CDP Water Security 2022 Questionnaire w1.2b (Japanese Only) Water stress ratio: The ratio of total water withdrawn in water-stressed areas 3.43% The ratio of total water consumed in water-stressed areas 4.51% CDP Water Security 2022 Questionnaire w1.2b w1.2d w5.1 (Japanese Only)
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-AB-140a.2	-	OP77 Sustainable Water Resources CDP Water Security 2022 Questionnaire w3.3 w4 w6.1 w8.1 (Japanese Only) OP80 Activities (Sustainable Water Resources) Environmental Report P46 Sustainable Water Resources, Initiatives Across the Value Chain
Responsible Drinking & Marketing	Percentage of total advertising impressions made on individuals at or above the legal drinking age	FB-AB-270a.1	%	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. *Click on each product on Asahi Breweries, Ltd.’s product information webpage (Japanese Only) to open the age confirmation link.

Sustainability Reporting Guidelines

TOPIC	ACCOUNTING METRIC	CODE	UNIT OF MEASURE	DISCLOSURE
Responsible Drinking & Marketing	Number of incidents of non-compliance with industry or regulatory labeling and/or marketing codes	FB-AB-270a.2	Number	0 (FY 2021) *Scope of reports: Asahi Breweries, Ltd.
	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 2021) *Scope of reports: Asahi Breweries, Ltd.
	Description of efforts to promote responsible consumption of alcohol	FB-AB-270a.4.	-	<ul style="list-style-type: none"> ●P125 Responsible Drinking ●P126 Policy and System (Responsible Drinking)
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, %	<p>(1) ●P25 Container and packaging materials <ul style="list-style-type: none"> ▣Integrated Report 2021 P100 Impact Report > (2) Status of initiatives toward using sustainable containers and 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. 2020 (2019): Consumption weight 331 kilotons (330 kilotons) Recycled weight 311 kilotons(323 kilotons) Recycling rate 94% (97.9%) *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. 2020 (2019): Total dissolved amount 1,352 kilotons (1,465 kilotons) Cullet usage 1,053 kilotons (1,103 kilotons) Cullet usage rate 77.9% (75.3%) Recycling rate 69.0% (67.6%) *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-AB-410a.2	-	<ul style="list-style-type: none"> ●P63 Sustainable Packaging ●P65 Activities (Sustainable Packaging) ●P12 KPI

Sustainability Reporting Guidelines

TOPIC	ACCOUNTING METRIC	CODE	UNIT OF MEASURE	DISCLOSURE
Environmental & 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-AB-430a.1	%	<p>(1) ○P140 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) ○P141 Summary of the Survey Results <ul style="list-style-type: none"> ▣ Asahi Group Supplier Code of Conduct Company > Group Policies / Corporate Governance > Asahi Group Sustainable Procurement Principles > Asahi Group Supplier Code of Conduct ○P146 Initiatives for Quality Improvement </p>
	Percentage of beverage ingredients sourced from regions with High or Extremely High Baseline Water Stress	FB-AB-440a.1	%	-
Ingredient Sourcing	List of priority beverage ingredients and description of sourcing risks due to environmental and social considerations	FB-AB-440a.2	-	<ul style="list-style-type: none"> ○P74 Agricultural Raw Materials (Important Raw Materials) ○P46 Respond to TCFD Recommendations ○P81 Assessment and Elimination of Water Risks ○P82 Conducting Water Risk Surveys of Suppliers ○P114 Food ○P85 Utilization of Beer Yeast Cell Walls ○P138 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	▣ Factbook 2022 P7 Corporate Data (List of Group Production Facilities)
Total fleet road miles traveled	FB-AB-000.C	m	-

Sustainability Reporting Guidelines

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) 🔵P39 Changes in Energy Consumption and Basic Units* *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) 🔵P39 Changes in Energy Consumption and Basic Units* *Total energy consumption (GWh) including electricity consumption is disclosed. In accordance with the CDP's request, 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) 🔵P39 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	1,000m ³ , %	(1) Total water withdrawn 39,602.37 (1,000m ³) 📄CDP Water Security 2022 Questionnaire w1.2b (Japanese Only) (2) Total water consumed 14,066.53 (1,000m ³) 📄CDP Water Security 2022 Questionnaire w1.2b (Japanese Only) Water stress ratio: The ratio of total water withdrawn in water-stressed areas 3.43% The ratio of total water consumed in water-stressed areas 4.51% 📄CDP Water Security 2022 Questionnaire w1.2b w1.2d w5.1 (Japanese Only)
	Description of water management risks and discussion of strategies and practices to mitigate those risks	FB-NB-140a.2	-	🔵P77 Sustainable Water Resources 📄CDP Water Security 2022 Questionnaire w3.3 w4 w6.1 w8.1 (Japanese Only) 🔵P80 Activities (Sustainable Water Resources) 📄Environmental Report P46 Initiatives Across the Value Chain

Sustainability Reporting Guidelines

TOPIC	ACCOUNTING METRIC	CODE	UNIT OF MEASURE	DISCLOSURE
Health & 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 ingredi- ents related to nutritional and health concerns among consumers	FB-NB-260a.2	-	<ul style="list-style-type: none"> ●P121 Providing Health Value through Products ●P148 Secure Food Safety & Reliability ●P155 Responsible Marketing
Product Labeling & Marketing	Percentage of advertising impres- sions (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	●P155 Responsible Marketing
	Number of incidents of non-com- pliance with industry or regulatory labeling and/or marketing codes	FB-NB-270a.3	Number	0 (FY 2021) *Scope of Reports: Asahi Soft Drinks Co., Ltd.
	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 2021) *Scope of Reports: Asahi Soft Drinks Co., Ltd.

Sustainability Reporting Guidelines

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) P25 Container and packaging materials ☑ Integrated Report 2021 P100 Impact Report > (2) Status of initiatives toward using sustainable containers and 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. 2020 (2019): Consumption weight 331 kilotons (330 kilotons) Recycled weight 311 kilotons(323 kilotons) Recycling rate 94% (97.9%) *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. 2020 (2019): Total dissolved amount 1,352 kilotons (1,465 kilotons) Cullet usage 1,053 kilotons (1,103 kilotons) Cullet usage rate 77.9% (75.3%) Recycling rate 69.0% (67.6%) *Scope of reports : In Japan (Source: Glass Bottle 3R Promotion Association)</p> <p>(3) P70 Glass Bottle Collection Rate</p>
	Discussion of strategies to reduce the environmental impact of packaging throughout its lifecycle	FB-NB-410a.2	-	<p>P63 Sustainable Water Resources P65 Activities (Sustainable Water Resources) P12 KPI</p>

Sustainability Reporting Guidelines

TOPIC	ACCOUNTING METRIC	CODE	UNIT OF MEASURE	DISCLOSURE
Environmental & 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) P140 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) P141 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 P146 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	-	P74 Agricultural Raw Materials (Important Raw Materials) P46 Respond to TCFD Recommendations P81 Assessment and Elimination of Water Risks P82 Conducting Water Risk Surveys of Suppliers P114 Food P85 Utilization of Beer Yeast Cell Walls P138 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	☐ Factbook 2022 P7 Corporate Data (List of Group Production Facilities)
Total fleet road miles traveled	FB-AB-000.C	m	-



Scope of Reports

Environment-related Data

Items	Major target companies
CO ₂ Emissions (Totals and Basic Unit)	<ul style="list-style-type: none"> Japan: Asahi Group Holdings, 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., Hokkaido Nikka Service Co., Ltd., Sendai Nikka Service Co., Ltd., Asahi Soft Drinks Co., Ltd., Calpis Co., Ltd., Asahi Soft Drinks Sales Co., Ltd., Asahi Orion Inryo Co., Ltd., Asahi Group Foods, Ltd., Asahi Bio Cycles Co., Ltd., Asahi Logistics Co., Ltd., East Japan AB Cargo Co., Ltd., West Japan AB Cargo Co., 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: Asahi Europe & International Ltd., Kompania Piwowarska SA (Poland), Plzeňský Prazdroj a.s.s. (Czech Rep.), Plzeňský Prazdroj Slovensko, a.s. (Slovakia), Ursus Breweries SA (Romania), Dreher Sörgyarak Zrt. (Hungary), Birra Peroni S.r.l. (Italy), Koninklijke Grolsch N.V. (Netherlands), Asahi UK Limited (UK), Meantime Brewing Company Limited (UK) Oceania: Asahi Holdings (Australia) Pty Ltd., Carlton & United Breweries Pty Ltd., Asahi Beverages Pty Ltd., Asahi Beverages (NZ) Ltd., The Better Drinks Co Ltd. South East Asia: Asahi Holdings South East Asia Sdn. Bhd, Etika Beverages Sdn. Bhd, Etika Dairies Sdn. Bhd
Energy Consumption and Basic Units	
Renewable Electricity Consumption, Percentage of Renewable Electricity Consumption	
Water Consumption, The Volume of Wastewater	

*The companies in scope for 2021 represent 99% 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. •AHA does not cover GHG emissions from recycled waste.
(6) Business trip	•AHA covers GHG emissions from airplane use. •AHA in Australia covers GHG emissions from taxi use.
(7) Commute 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.
(9) Transportation and delivery (downstream)	•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.
(10) Processing of sold products	•There are no intermediate products on which to report.
(11) Use of sold products	•There is no use of the product sold 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.

The Volume of By-products and Waste Generated, and Basic Unit	<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 Bio Cycles Co., Ltd. Europe: Kompania Piwowarska SA (Poland), Plzeňský Prazdroj a.s.s. (Czech Rep.), Plzeňský Prazdroj Slovensko, a.s. (Slovakia), Ursus Breweries SA (Romania), Dreher Sörgyarak Zrt. (Hungary), Birra Peroni S.r.l. (Italy), Koninklijke Grolsch N.V. (Netherlands) Oceania: Carlton & United Breweries Pty Ltd., Asahi Beverages (NZ) Ltd. South East Asia: Etika Dairies Sdn. Bhd.
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*The companies in scope for 2021 represent 91% of the Group as a whole (based on net sales).

Emissions of NO _x , SO _x , and Exhaust	<ul style="list-style-type: none"> Japan: Asahi Breweries, Ltd., The Nikka Whisky Distilling Co., Ltd., Asahi Beer Malt, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Group Foods, Ltd.
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*The companies in scope for 2021 represent 45% of the Group as a whole (based on net sales).

The Volume of CO ₂ Emissions During Transportation	<ul style="list-style-type: none"> Japan: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd.
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*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	Asahi Group Holdings, Ltd. Asahi Breweries, Ltd. Asahi Soft Drinks Co., Ltd. Asahi Group Foods, Ltd. *They 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.



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