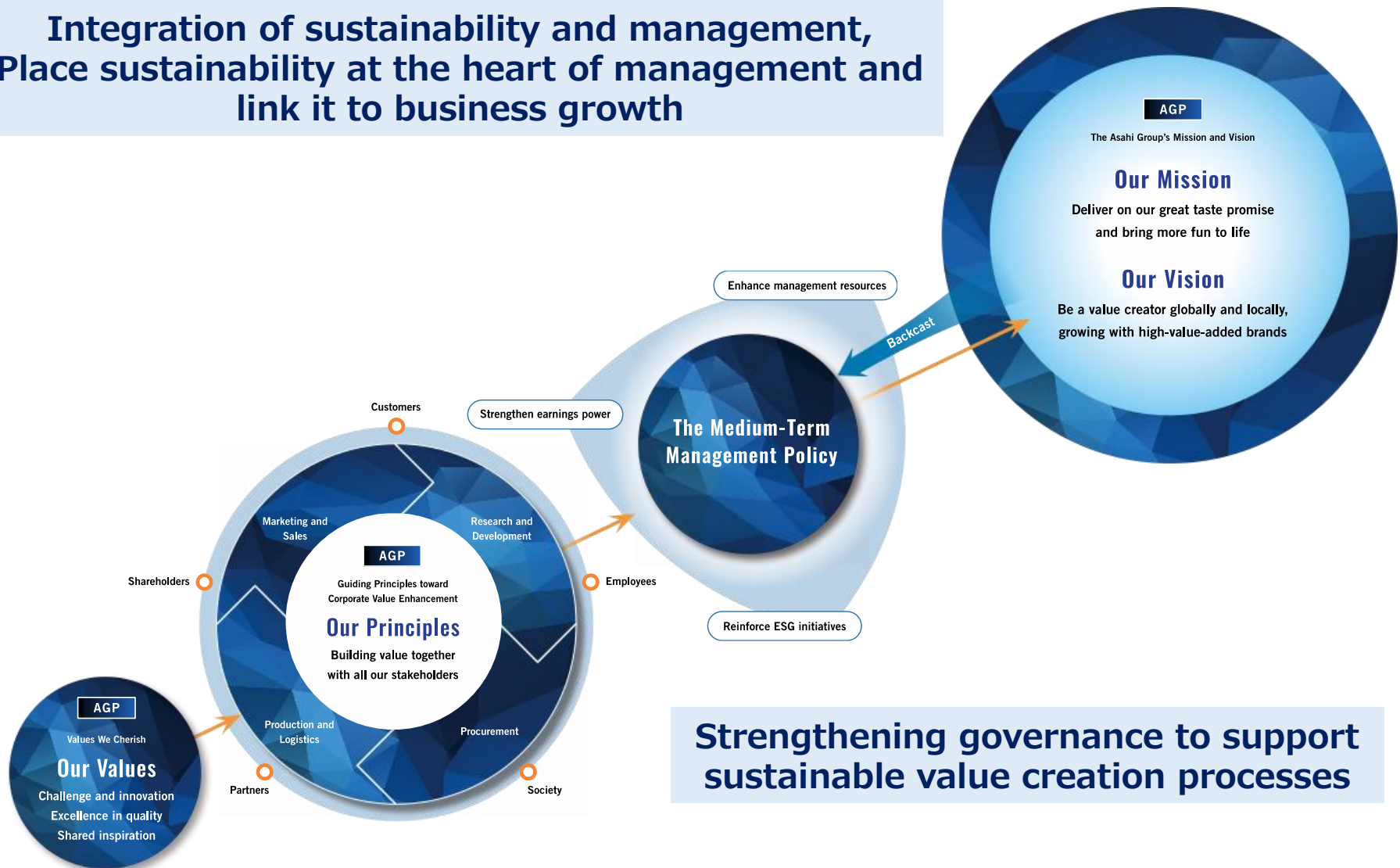


**“Asahi IR Day ESG initiatives”
for Analysts and Investors**



June 2021

Integration of sustainability and management,
Place sustainability at the heart of management and
link it to business growth



Strengthening governance to support
sustainable value creation processes

Progress in Sustainability Initiatives

Integration of sustainability and management



Progress status

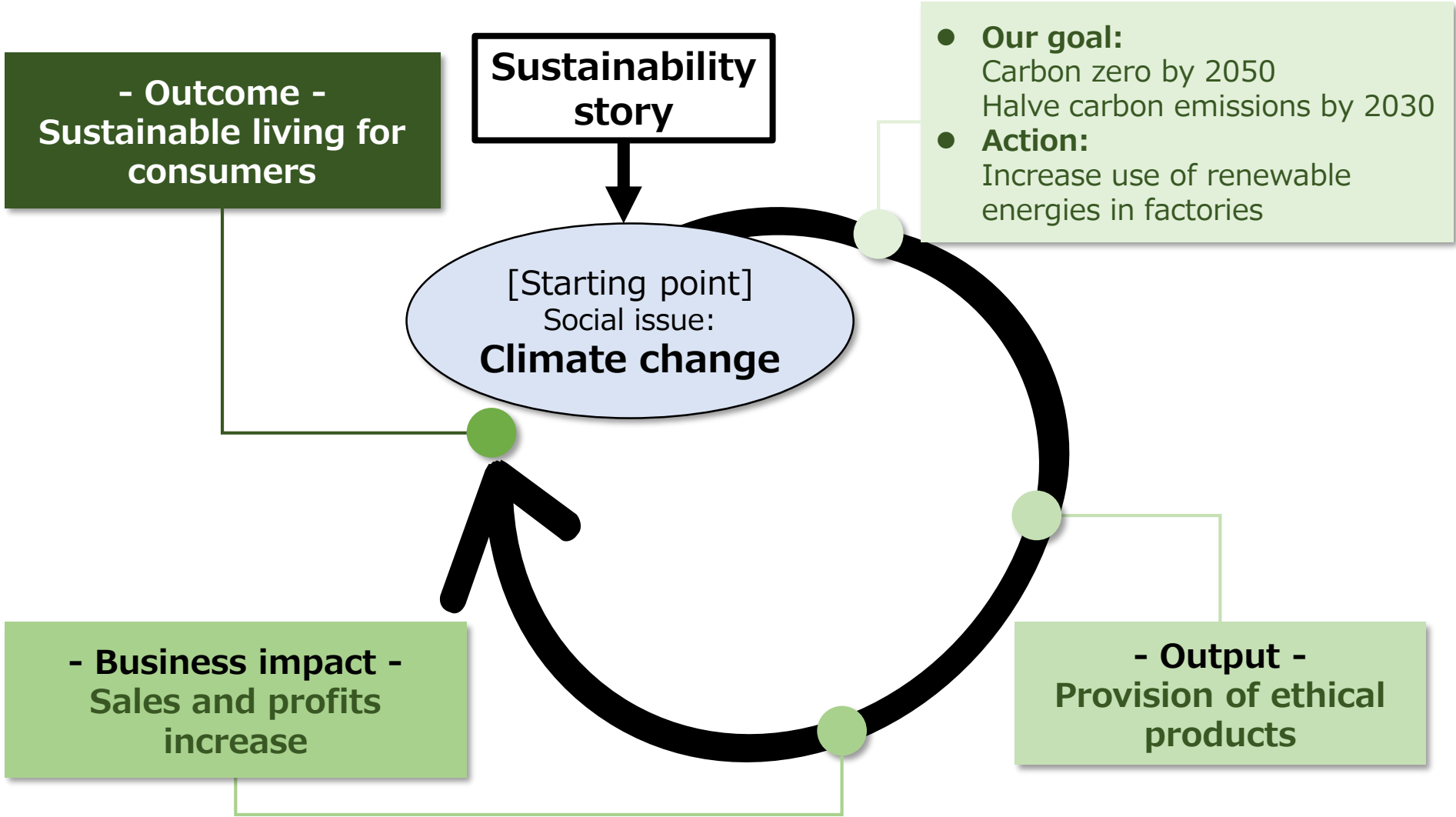
- At the first meeting of 2020, decided to revise upward the 2030 interim target for Asahi Carbon Zero, which aims for zero carbon emissions by 2050
- At the first meeting of 2021, discussed a promotion structure review and sustainability governance in management, etc.
- Discussed a roadmap to raise the 2030 interim target for carbon emissions reductions
- Regular global meetings held for each of the environment, community, and responsible drinking to share best practices and discuss specific initiatives

Build a structure for applying global targets at the regional level in both the strategy and implementation phases

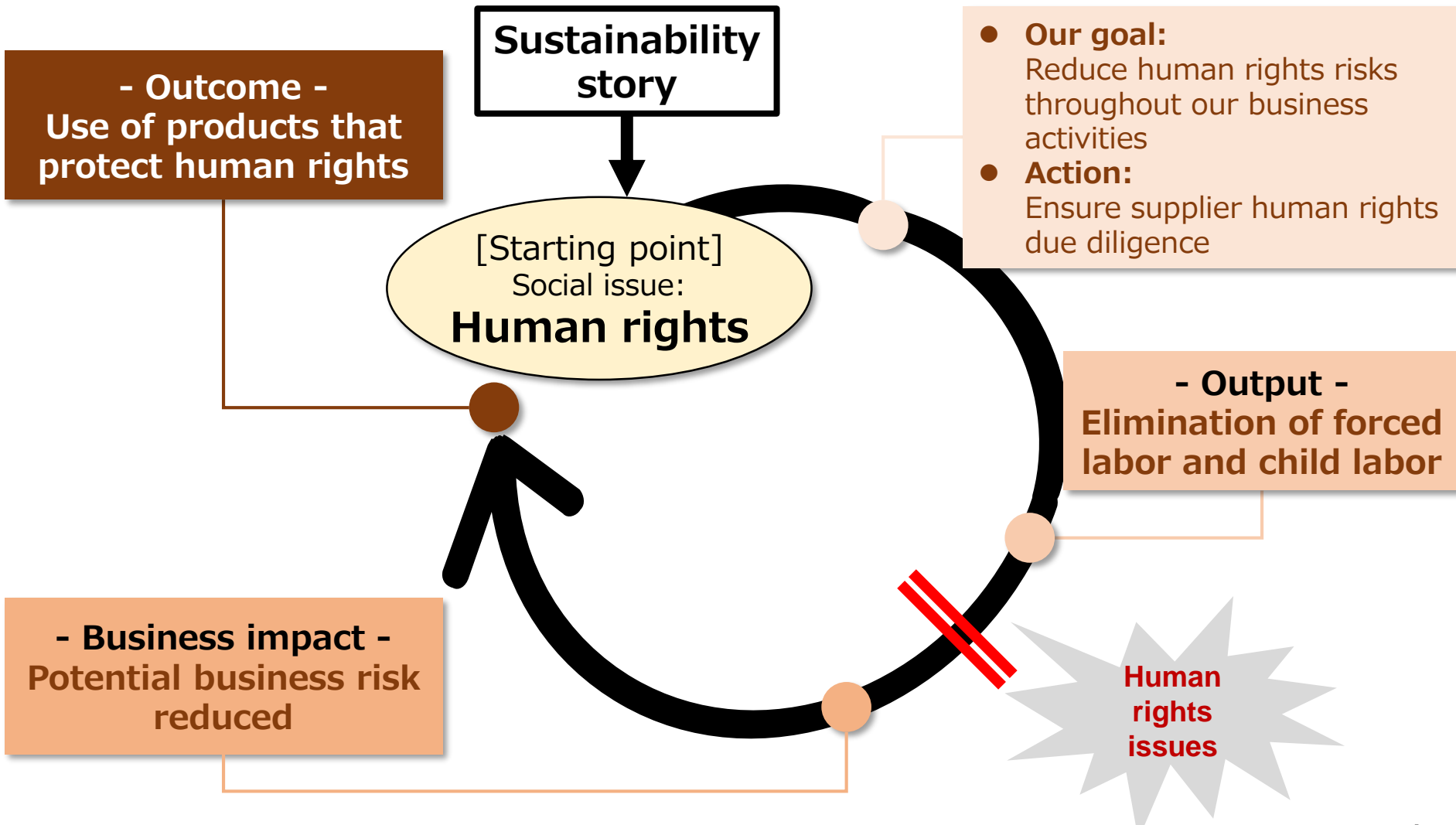
Cycle of Integration of sustainability and management:

(1) Contribute to business growth

Strengthen efforts to resolve social issues throughout our business activities to contribute to business growth and produce our desired outcome



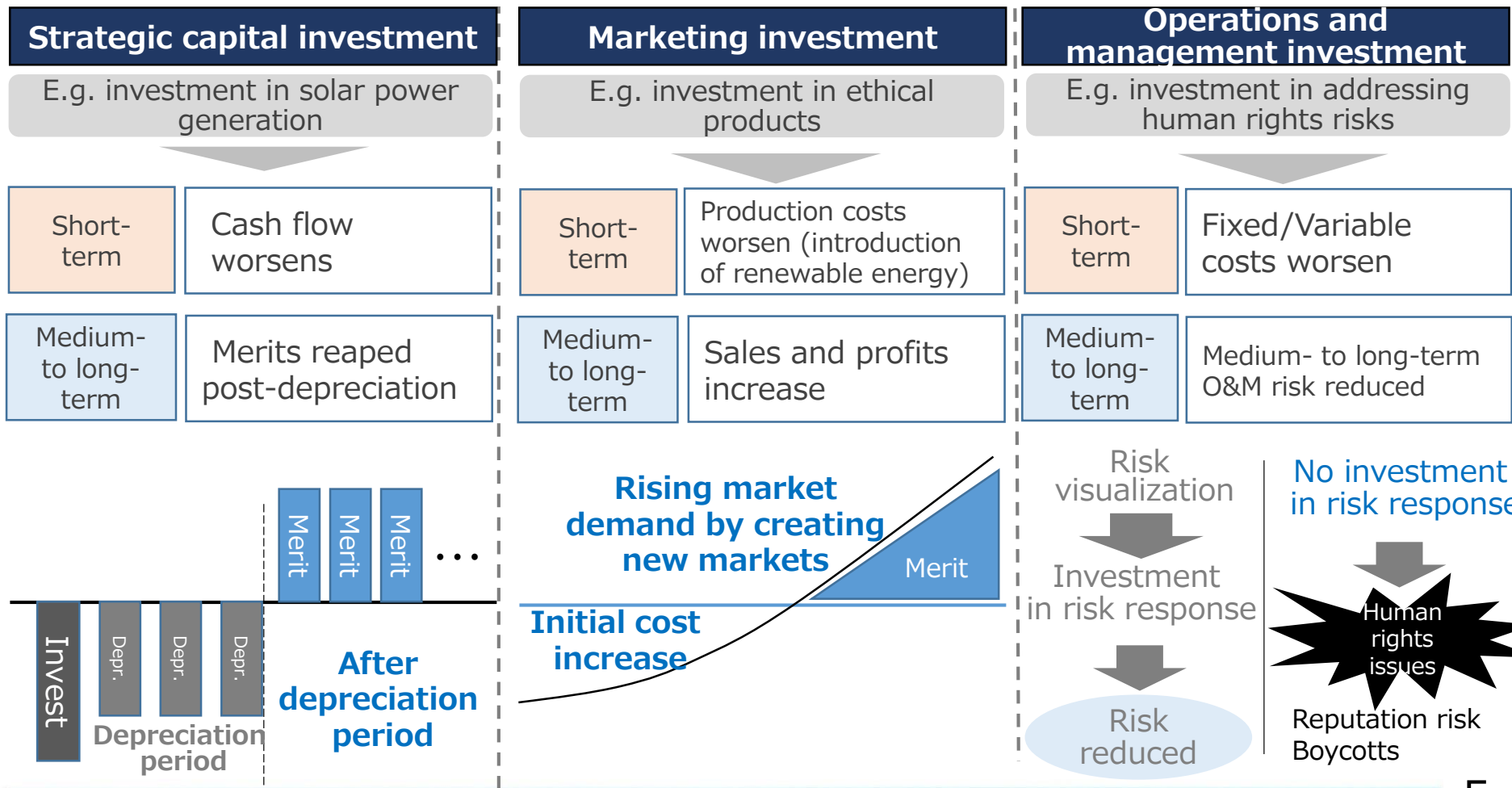
Strengthen efforts to resolve social issues throughout our business activities to reduce business risk and create outcome



Why Invest in Sustainability?

Sustainability is not about cost—it is investment in the future. By addressing sustainability not from a short-term but rather a medium- to long-term perspective, we aim to secure investment returns, reduce risk, and boost corporate value.

Our approach to sustainability investment



Top priority areas of materiality

Environment

In particular, climate change will have a negative impact on our important raw materials, such as water, barley and hops, and biodiversity conservation. It will also have a significant impact on the sustainability of our business.



Community

Social trends are weakening connections between people, people and communities, communities and other ones with creating various community issues. The decline of community also impacts heavily on business sustainability.



Responsible Drinking

Alcohol issues are directly linked to our core business, impacting heavily on business sustainability.



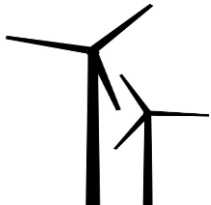
Asahi Group Environmental Vision 2050

Pass on nature's gifts to the next generation
based on the "Neutral & Plus" concept

Zero environmental impact ("Neutral")

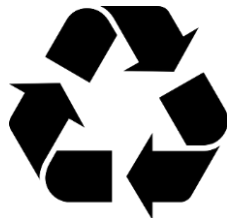
1
Respond to climate
change
"Asahi Carbon Zero"

Reduce CO₂ emissions
to zero



2
Make sustainable use
of resources
(Agricultural raw materials,
containers and packaging,
water)

Reduce business risks



Creating environmental value ("Plus")

3
Utilize microorganisms
and fermentation
technologies

Create new environmental
value by leveraging Group
strengths



4
Process innovation

Create groundbreaking new
technologies and systems



Asahi Carbon Zero

Scope 1 and 2 targets for 2030 revised upward

New target **50%** reduction (compare with 2019)

Old target **30%** reduction (compare with 2015)

SBT1.5°C validated

Joined RE100



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

RE100

**CLIMATE
GROUP**



The Asahi Carbon Zero medium- to long-term target for reducing CO₂ emissions has been revised upward, accelerating our efforts to achieve carbon neutrality by 2050.

2050 **Asahi Carbon Zero** —The Asahi Group’s Medium- to Long-Term Target for Reducing CO2 Emissions
 Reduce our CO2 emissions in Scope 1, 2, and 3 to zero, thereby realizing carbon neutral

2030 **Asahi Carbon Zero** —The Asahi Group’s Medium- to Long-Term Target for Reducing CO2 Emissions
 Reduce CO2 emissions in Scope 1 and 2 by 50% (compared with 2019)
 Reduce CO2 emissions in Scope 3 by 30% (compared with 2019)

	Japan	Europe	Oceania	Southeast Asia
	Reduce CO2 emissions every year by 1% or more over the previous year	Reduce CO2 emissions in Scope 1 and 2 to zero by introducing renewable energy at plants, thereby becoming carbon neutral	Reduce CO2 emissions in Scope 1 and 2 by 50% (compared with 2019)	Reduce CO2 emissions in Scope 1 and 2 every year by 2% or more over the previous year

	Japan	Europe	Oceania	Southeast Asia
2025	<ul style="list-style-type: none"> •Use renewable energy for 100% of electricity purchased at all production bases •Reduce CO2 emissions every year by 1% or more over the previous year 	Shift to 100% renewable energy for the electricity used at plants	Shift to 100% renewable energy for the electricity used in Australia and New Zealand	Reduce CO2 emissions in Scope 1 and 2 every year by 2% or more over the previous year

Reflect the Asahi Carbon Zero medium- to long-term target for reducing CO₂ emissions in regional targets and implement our roadmap for achieving that target

Asahi Carbon **Zero**

Use of 100% renewable energy

※Excluding in-house power generation

Europe

Australia

Japan



Strengthen sales of ethical products to meet growing demand, looking ahead to future markets to seize business growth opportunities

Rising price of agricultural raw materials due to decline in harvests

Corn	¥1.97 billion
Coffee	¥2.66 billion

Rising production costs due to carbon tax introduction

2030	¥6.47 billion
2050	¥6.43 billion

Rising PET bottle cost due to carbon tax transfer pricing

¥6.23 billion

Response measures

- Work with suppliers
- Assist farmers
- Use Asahi Group technologies



- Revise upward the 2030 target for carbon emissions reduction
- Use Asahi Group technologies

Asahi Carbon Zero 

- Change to recycled PET bottles
- Reduce PET bottle weight



In 2020, we undertook scenario analysis for our beverage and alcohol (beer, etc.) businesses, visualizing the risk of greater costs due to declining agricultural raw material harvests and carbon tax introduction and considering response measures.

Asahi Group Philosophy

Foster a corporate culture in which the company and our people grow together

People Statement

Learning, growing, achieving TOGETHER



Safety and Well-being

is our biggest priority



Everyone Matters

is our core belief



Growth through Learning

individually and collectively



Better together

Collaboration fuels our growth

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.

Global activity slogan

"RE:CONNECTION"

Connections between people, people and communities,
and communities and other ones

Key "Community" issues

Food

Resolve food-related issues to revisit the connection between people and food and boost local sustainability



Regional Environment

Connect nature and society to create the conditions for coexistence, helping to resolve regional environmental issues (nature, ecosystems)



Disaster Relief

Assist those whose daily lives and businesses have been heavily impacted by disaster, reconnecting them with daily lives

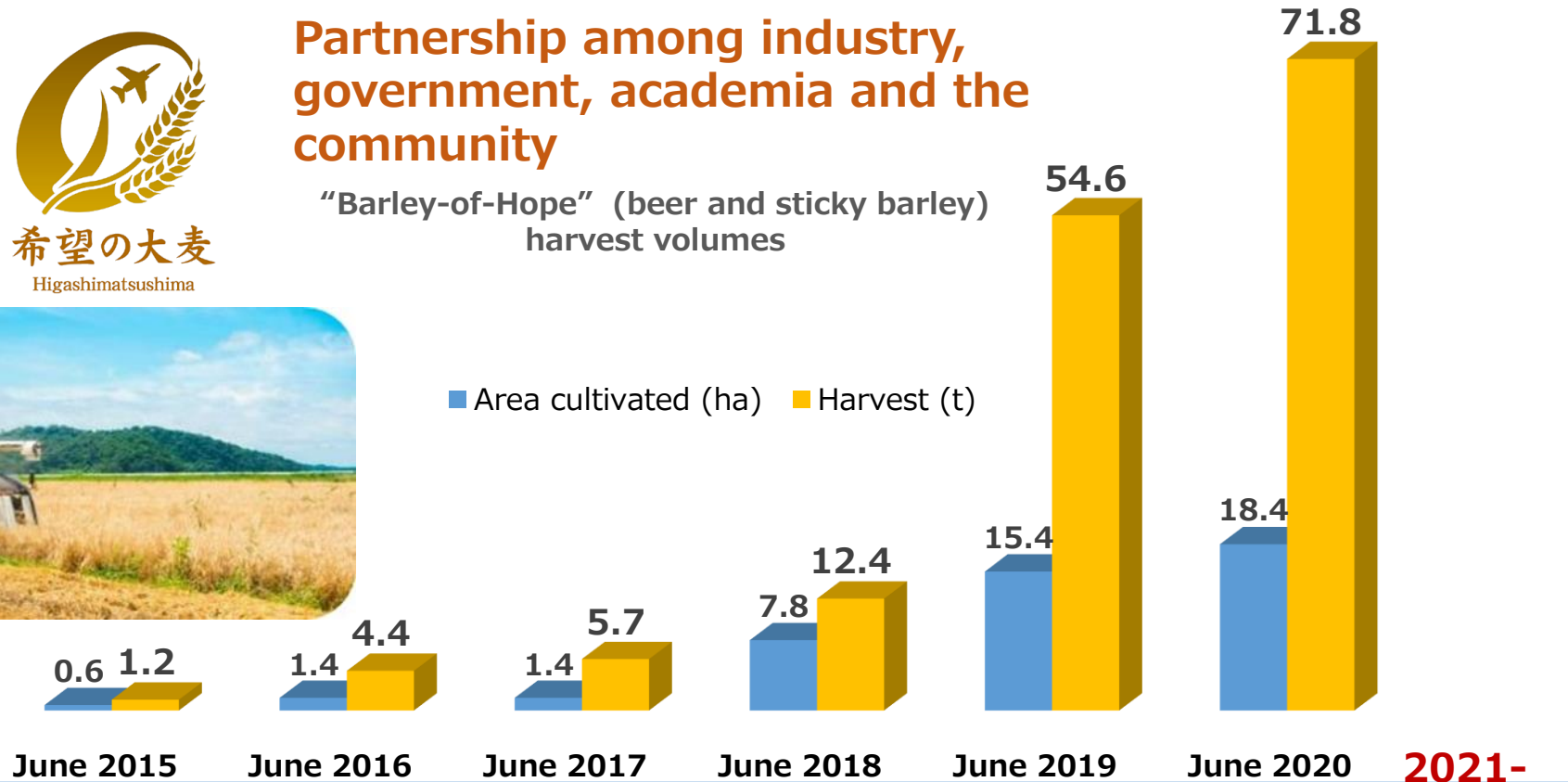


Sharing happy times with local community members, contributing to creating sustainable community "Bringing more fun to life"



Partnership among industry, government, academia and the community

“Barley-of-Hope” (beer and sticky barley) harvest volumes



Trial cultivation of 30 types of barley in the home fields of HOPE staff (April 2014)



Cultivation starts in October 2015 on affected land



Feb. 2016 launch of GRAND HOPE (Yakurai Beer)



2016 First Barley of Hope ale launched



Nov. 2017: Clear Asahi Toretate no Zeitaku
 Oct. 2018: Clear Asahi Tohoku no Megumi
 July 2019: Clear Asahi Tohoku no Megumi
 Nov. 2019: Clear Asahi Tohoku no Megumi
 Nov. 2020 Clear Asahi Tohoku no Megumi



April 2020: Asahi Super Dry “Support the Tohoku Recovery” can



As of 2021, initiatives begin to produce a barley-based whisky

The Campus Peroni agricultural support project in Italy uses co-creation with stakeholders to produce sustainable malt

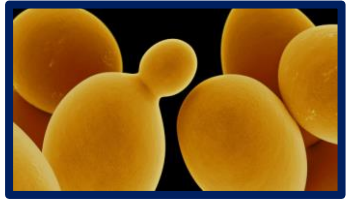
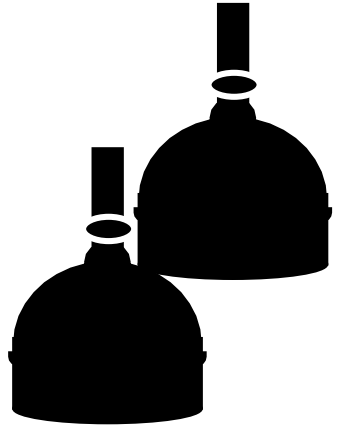
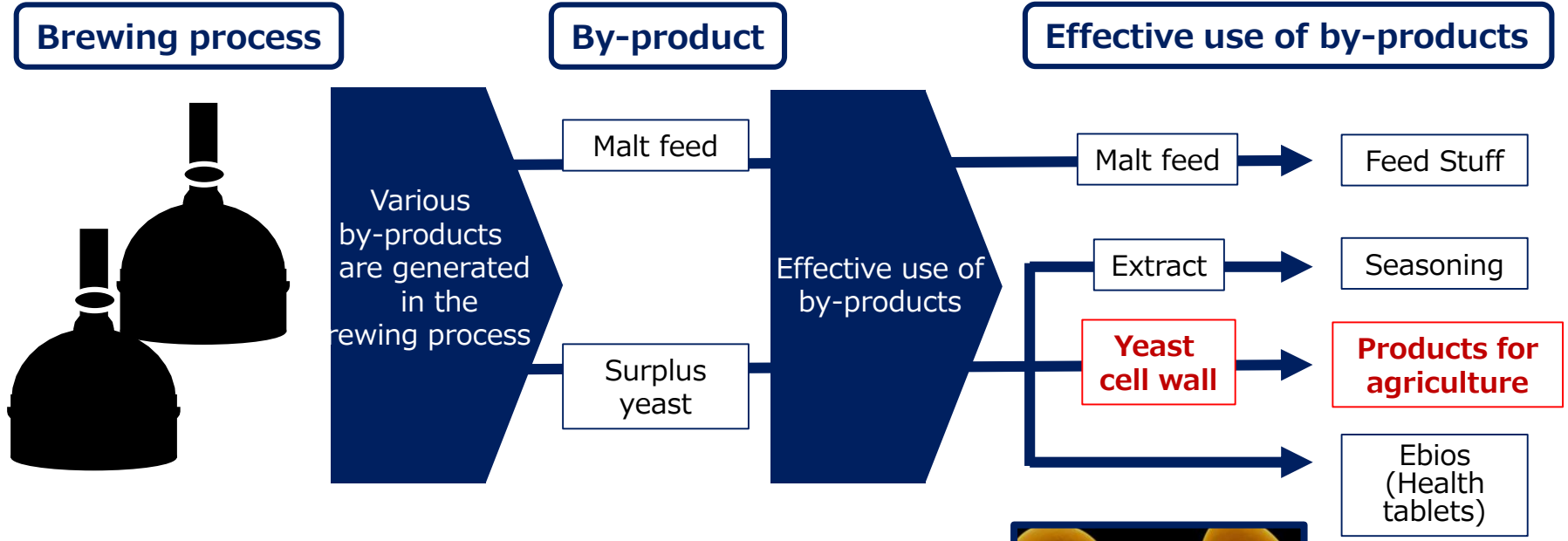
An initiative launched in partnership with a malt factories, the national agricultural research center, and local universities' agriculture departments to explore the cultivation of barley

Promotes research, training, innovation, and exchange between agricultural producers



Social sustainability + business sustainability
= business growth





Sweet potato cultivation on soil with poor drainage (1.3 times up on previous year)

Global Activity Slogan

Responsible Drinking Ambassador

Japan

“Smart Drinking” Declaration

- Aiming to realize a society where those who drink and those who do not can respect each other’s perspectives
- Aiming for a sales volume ratio of 20% for low-alcohol and non-alcohol beverages by 2025



Europe

Promoting premiumization to expand growth opportunities

- Aiming for a sales volume ratio of 20% for non-alcohol beverages by 2030



Oceania

Developing the market through brand use

- By launching non-alcohol beers from core brands such as Great Northern and Carlton, aiming for a sales volume ratio of 25% for low-alcohol and non-alcohol beverages by 2025



- * Low-alcohol beverage: Alcohol content of 3.5% or less
- * Non-alcohol beverage: Based on the laws and regulations for each sales region

To eliminate inappropriate drinking and create new drinking opportunities, we promote non-alcohol beverage strategies across the entire Group

Advocating for Diversity in Drinking



Smart Drinking



- By June 2021, the website of Asahi Breweries, Ltd. disclosed the absolute amount of alcohol contained in the main alcoholic products commercially available from Asahi Breweries, Ltd. in Japan in grams. In addition, Asahi Breweries Ltd. will disclose the amount of pure alcohol on the labels of products to be launched or renewed in and after August of 2021. By disclosing the absolute amount of alcohol in a product in grams, Asahi Breweries will ensure that customers are able to choose the alcohol product most suitable for them.
- Asahi Breweries is aiming to have its low-alcohol products containing 3.5% or less alcohol and non-alcoholic beverages reach 20% of the total volume of beer, RTDs and non-alcoholic products sold by 2025, a little more than three times the 2019 figure.



As a member of the global NPO IARD, we are working to build a social system to eliminate inappropriate drinking



Working in partnership with other industries in a cross-society approach

Collaboration with digital platforms



Create mechanisms to prevent the exposure of minors to alcohol advertising

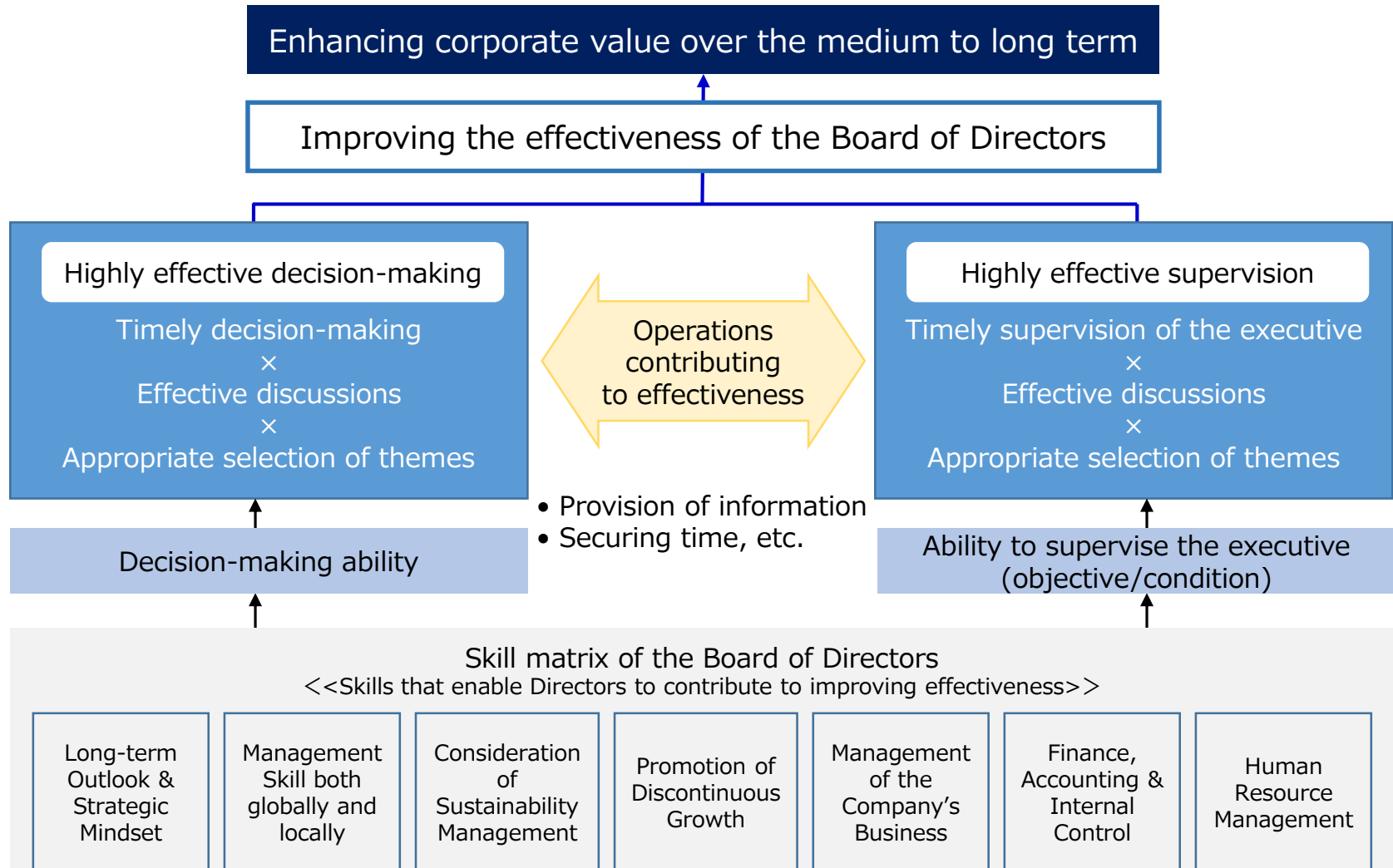
Collaboration with e-commerce platforms



Create mechanisms to prevent minors from buying alcohol, check age at time of delivery, and not deliver to intoxicated persons

Progress in Governance Initiatives

The Asahi Group considers a highly effective Board of Directors to be one that continuously enhances corporate value over the medium-to long-term.

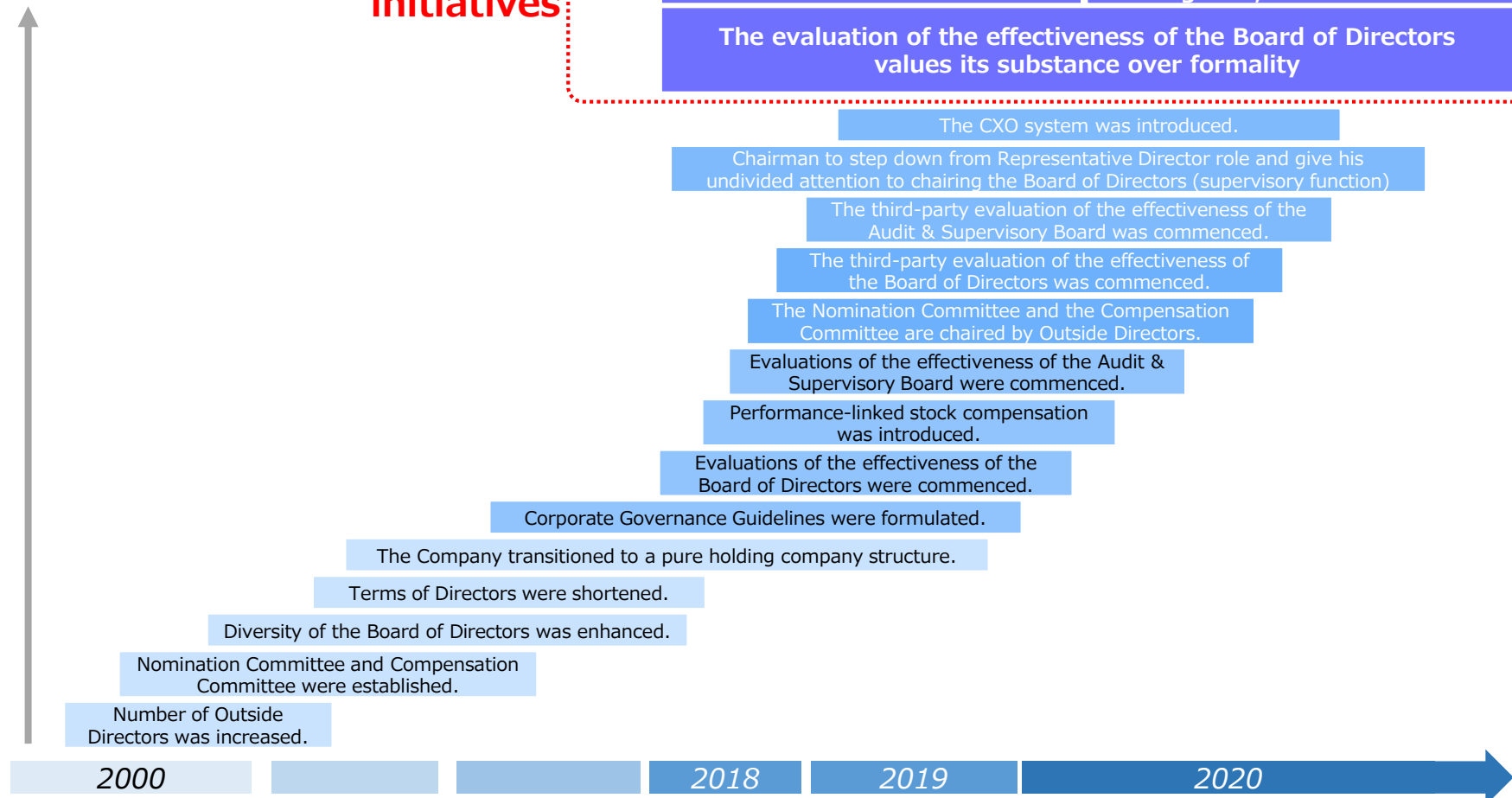


Policies to enhance the substance of corporate governance

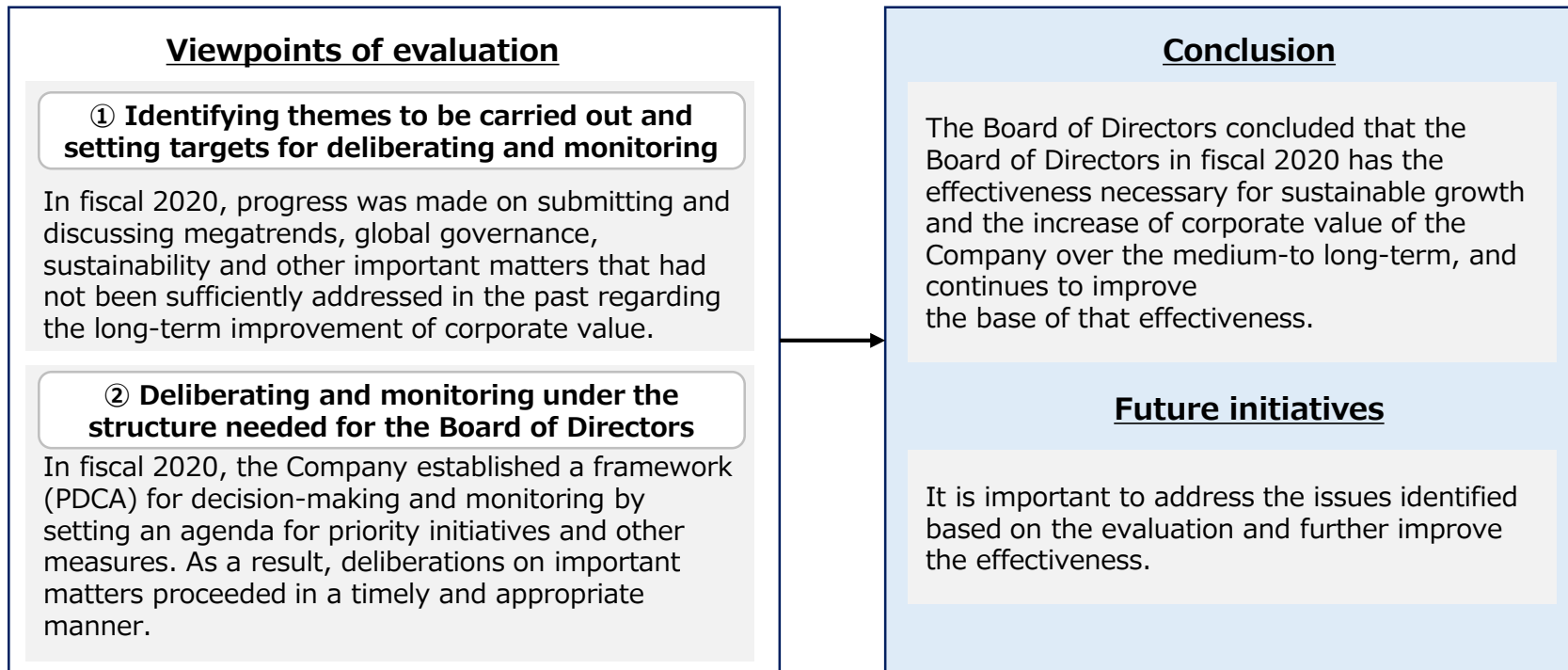
Towards greater substance

Main recent initiatives

Succession Plan of CEO and Directors	The skill matrix of the Board of Directors and the skill set of CEO
Discussions on ultra-long-term megatrends	Annual plan of Board of Directors, Formulation of agenda, Shift to PDCA
The evaluation of the effectiveness of the Board of Directors values its substance over formality	



◆ Evaluation of the Effectiveness of the Company’s Board of Directors –Summary of Results



◆ Developmental Issues to Be Addressed in Fiscal 2021

1. Discussions related to strategies and business portfolios that anticipate ultra-long-term and long-term megatrends

2. Discussions on sophisticating Group global governance and the crisis management

3. Discussions and monitoring of integrating the sustainability strategies and management strategies

4. Discussions on sophisticating the Board of Directors’ functions for a global company

1	Strategy focused on the long-term and ultra-long-term	<ul style="list-style-type: none"> ○ Beginning discussions on megatrends, and having a rolling annual plan, constitutes major progress ○ The way of thinking has shifted from “defensive strategy” to “strategy to take the initiative proactively” ✓ Discussions between directors based on materials has inherent limitations, and we need to incorporate knowledge from human resources with different experiences and backgrounds to those of the directors, such as experts and younger employees ✓ We need to commit more time to discussing the optimization of the business portfolio
2	Group global governance	<ul style="list-style-type: none"> ○ There has been an increase in discussions related to governance, and things that were not seen before have now become visible ○ There has been an increase in discussions related to governance, and things that were not seen before have now become visible ✓ We need to return to the discussion of what constitutes optimal governance for a globalizing business ✓ We must clarify the approach taken by the Board of Directors to monitor risk management
3	Sustainability	<ul style="list-style-type: none"> ○ We have debated every kind of sustainability issues, and have also overhauled the way we approach materiality ○ We have accomplished some substantial discussions based on the exchange of diverse opinions ✓ With regard to building long-term policies, discussions need to be even more closely integrated with management strategy ✓ Policies and strategies need to be integrated, and communicated as a coherent narrative
4	Election and remuneration of directors and senior management	<ul style="list-style-type: none"> ○ Appropriate measures have been established for the CEO election, dismissal and succession, and for Directors' incentives ✓ Discussion is required in relation to remuneration systems right across the board in the Group for management and employees.
General (With regard to the effectiveness of the Board of Directors)		<ul style="list-style-type: none"> ○ The frequency and level of discussions of important issues by the Board of Directors in relation has improved significantly ○ There has been rapid progress, and an enhancement of the substance of discussions. One of the most forward-looking Boards of Directors among Japanese companies ✓ In order to respond to globalization, achieve sustainable growth and enhance corporate value, we need to once again debate and form a consensus on what it is that Board of Directors discussions should focus ✓ There needs to be more clarity about the mechanism used to trace important decisions, and the methods used to monitor them

	Decision-Making Skill				Supervisory Skill		
	Long-term Outlook & Strategic Mindset	Management Skill both globally and locally	Consideration of Sustainability Management	Promotion of Discontinuous Growth	Management of the Company's Business	Finance, Accounting & Internal Control	Human Resource Management
Akiyoshi Koji	○	○		○	○	○	○
Atsushi Katsuki	○	○	○	○	○	○	
Ryoichi Kitagawa	○	○		○	○	○	
Taemin Park	○	○		○	○		
Keizo Tanimura	○	○	○				○
Tatsuro Kosaka	○	○	○	○		○	○
Yasushi Shingai	○	○	○	○		○	○
Christina L.Ahmadjian	○	○	○				○

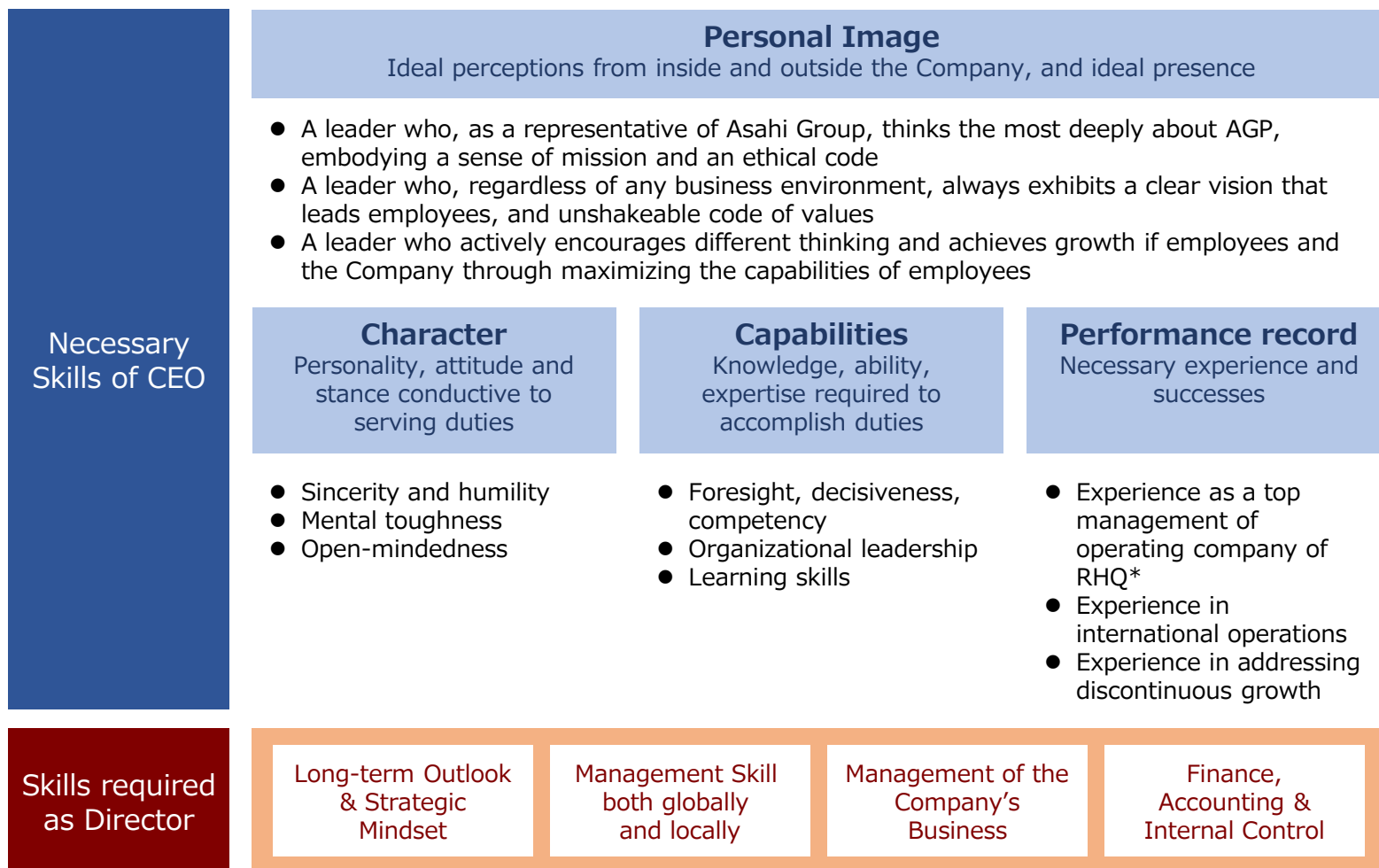
Decision-Making Skill

- ① **Long-term Outlook & Strategic Mindset** : Ability to assess societal changes over the long term and manage business through a backcasting-focused strategic mindset
- ② **Management Skill both globally and locally** : Ability to comprehensively manage business at the global and regional level by taking a globally minded management approach and optimizing management locally
- ③ **Consideration of Sustainability Management** : Ability to manage business by viewing sustainability and management as one and the same and integrating medium- to long-term strategies with resolutions to social issues
- ④ **Promotion of Discontinuous Growth** : Ability to manage business by promoting discontinuous growth through technological innovation and business restructuring

Supervisory Skill

- ① **Management of the Company's Business** : Ability to accurately assess the status of business execution and raise issues in accordance with the Medium-Term Management Policy on the basis of the AGP
- ② **Finance, Accounting & Internal Control** : Ability to perform finance and accounting duties from a managerial perspective and implement internal control that facilitates more substantial Group governance
- ③ **Human Resource Management** : Ability to manage diverse human resources and maximize the potential of each employee—key elements for value creation both globally and locally.

The Company has formulated the “skill set of CEO,” the written list of essential and important skills as CEO, in order to enhance the sustainability of management and proceed the succession planning of CEO based on fair and transparent processes.



*RHQ: Regional Headquarters

Asahi

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