

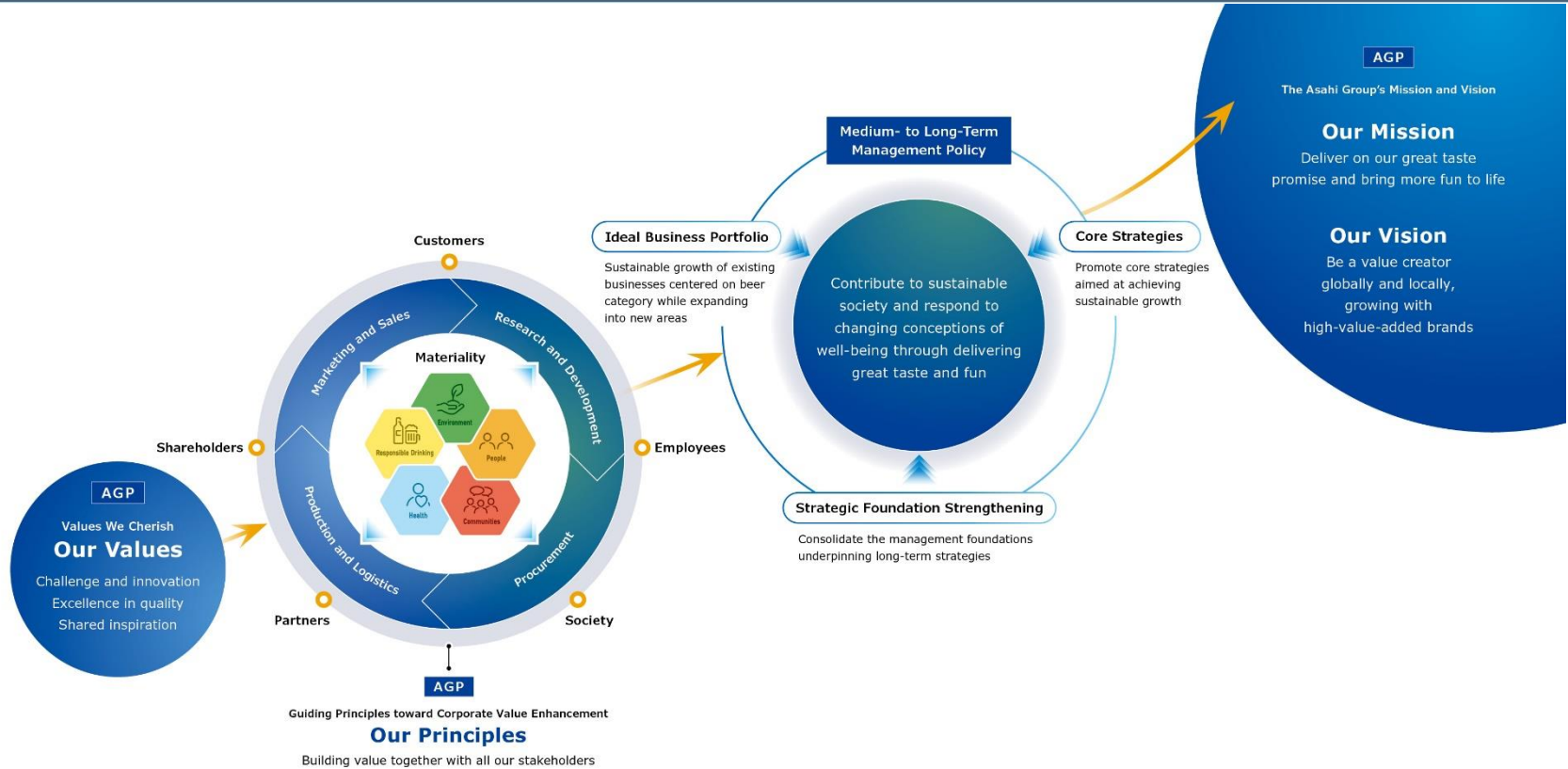


June 23, 2022

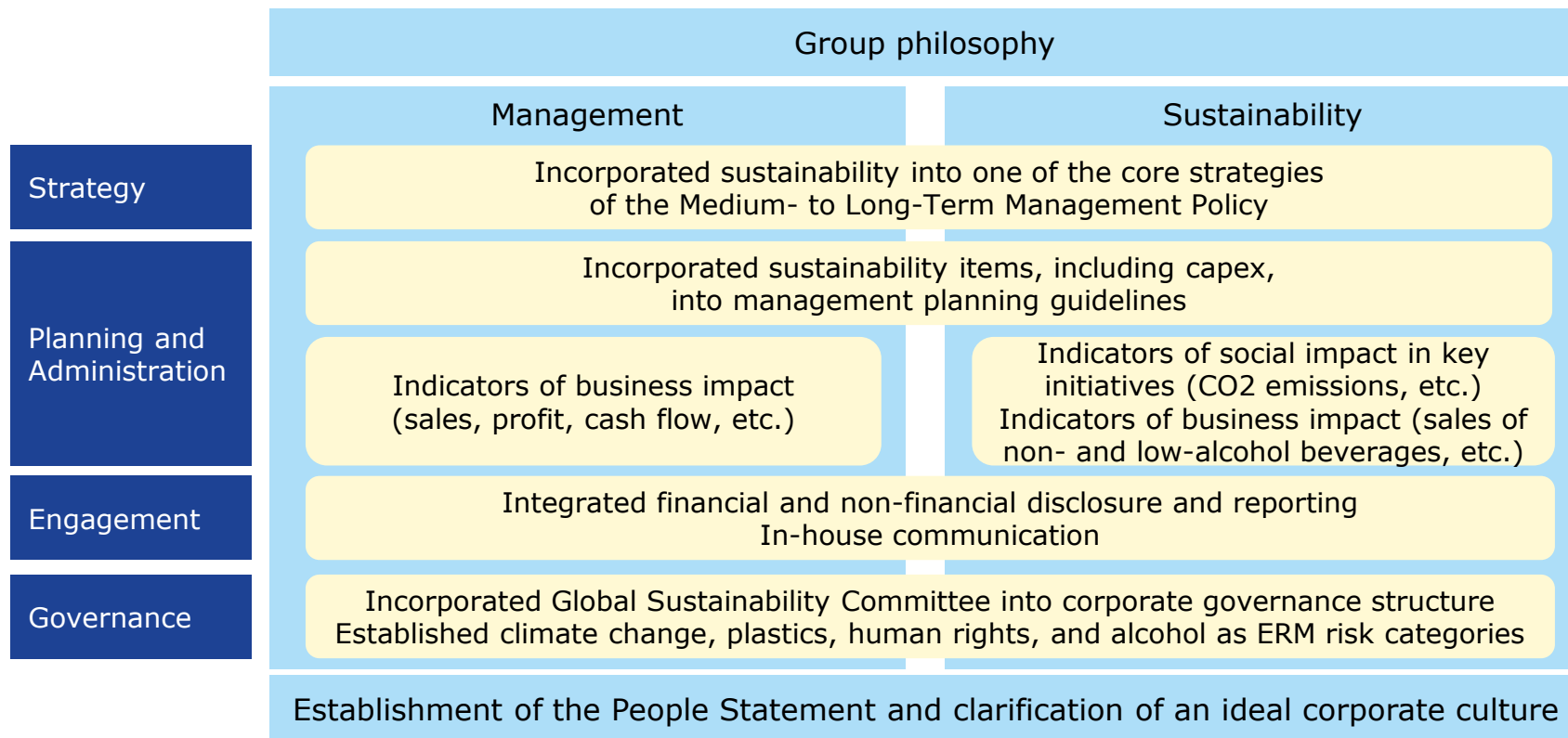
ESG Briefing for Analysts and Investors



Model for Corporate Value Enhancement



Integrating Sustainability into Management



Indicators for Managing Sustainability Initiatives

For each key initiatives, we will define and measure business and social impacts generated by “Positive Value” and “Neutralization” together

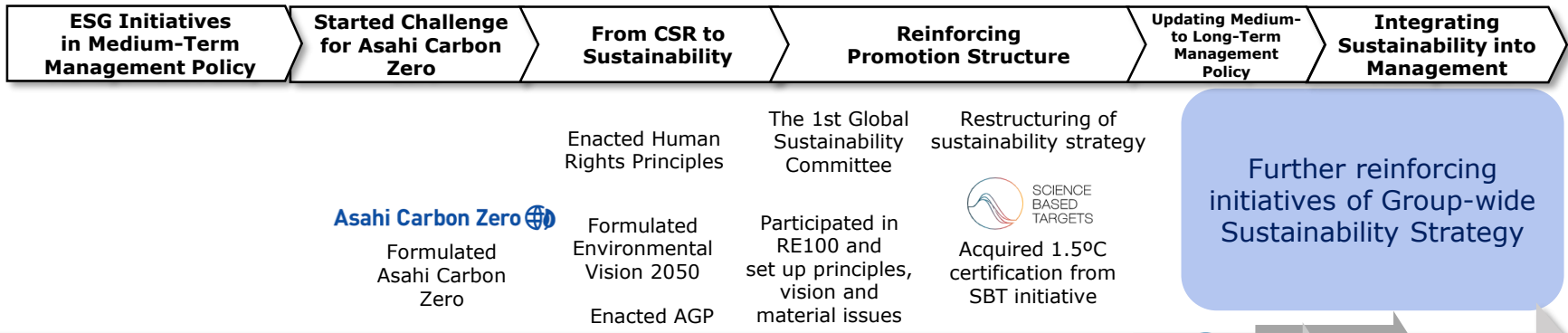
		Item	Climate Change	Plastic	Communities	Responsible Drinking
<p>Creation of Positive Value</p>	Business Impacts	<ul style="list-style-type: none"> • Products/services sales and profit • Reputational benefits 	Formulation of guidelines and setting of targets for products/services that contribute to solving social issues, based on our objectives			sales composition ratio of non-alcohol and low-alcohol beverages of main alcohol beverage
	Social Impacts	<ul style="list-style-type: none"> • Positive value for society 	Societal changes, including changing consumer behavior, circular economy, and invigoration of communities			
<p>Neutralization</p>	Business Impacts	<ul style="list-style-type: none"> • Cost fluctuations • Variations in risk 	Cost estimates under a 4°C scenario, impacts on procurement costs, etc.		Limiting higher costs and market declines	
	Social Impacts	<ul style="list-style-type: none"> • Degree of improvement in social issues 	Track record on reducing CO ₂ emissions and other environmental impacts		Maintaining connection	Reduction in inappropriate drinking

Overview of Sustainability Strategy

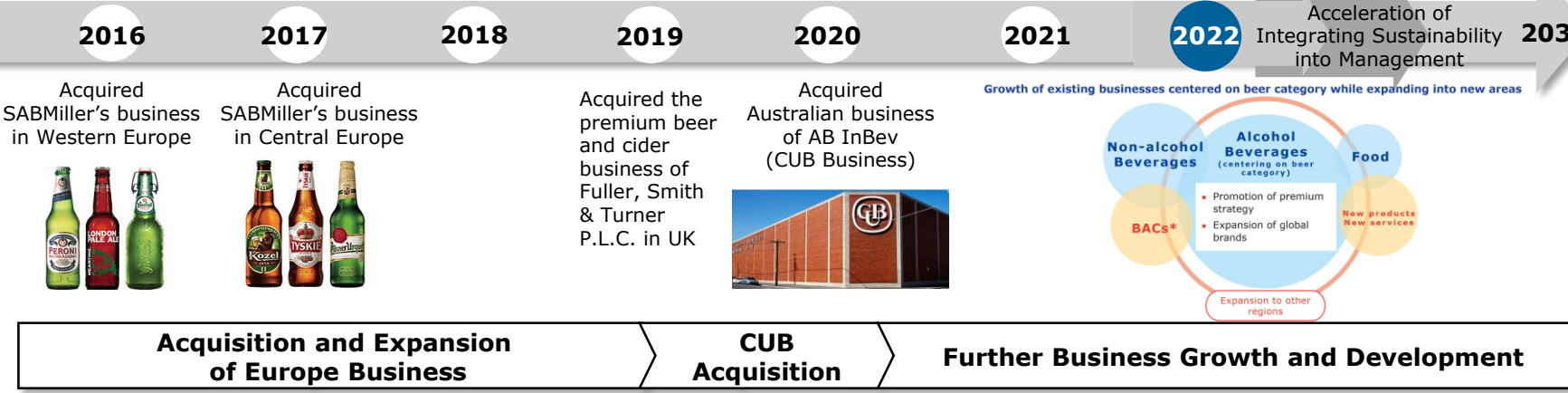
History of Sustainability Initiatives



Sustainability Initiatives



Business History



Medium- to Long-Term Management Policy: Overview of Long-Term Strategies



Basic Concept behind Long-Term Strategies

Contribute to sustainable society and respond to changing conceptions of wellbeing through delivering great taste and fun

- **Ideal Business Portfolio: Sustainable growth of existing businesses centered on beer category while expanding into new areas**
 - Growth driven by global brands and premiumization in existing operating regions; expansion into new markets.
 - Growth in adjacent categories to capture demand from trends such as increasing health consciousness; creation and development of new businesses that draw on the Group's capabilities.
- **Core Strategies: Promote core strategies aimed at achieving sustainable growth**
 - Integrate sustainability into management in order to positively impact both society and the Group's businesses; contributing to solving societal issues.
 - Achieve innovation in three key areas (processes, organization, and business models) by pursuing BX (business transformation) through DX (digital transformation).
 - Increase the value of existing products and create new products and markets through bolstering R&D (research & development).
- **Strategic Foundation Strengthening: Consolidate the management foundations underpinning long-term strategies**
 - Advance human resource for executing core strategies and building an ideal business portfolio.
 - Enhance Group governance in order to create an optimal organizational structure; Group-wide sharing of best practices.

**Positioning “Our Promise for the Future” as the Asahi Group’s sustainability story
To live up to this promise, we will continue to work on integrating sustainability into management through four key actions.**

Cheer the Future

To invigorate our precious future

• 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

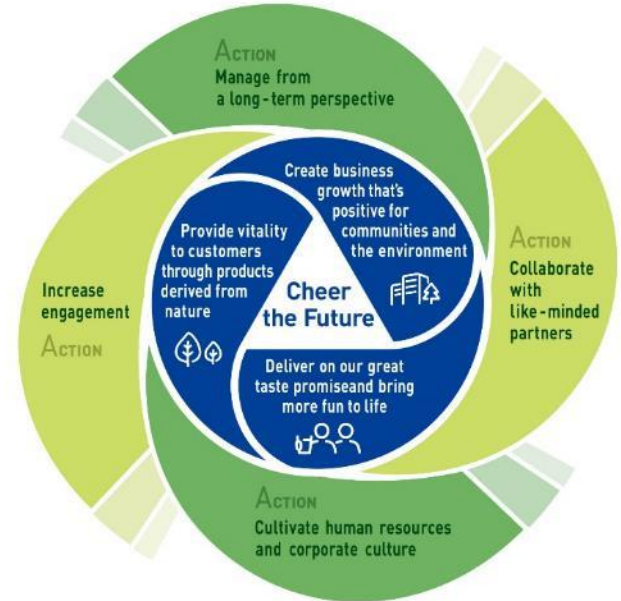
We accept our special responsibility to manage the potentially harmful effects our business may have on the environment and society at large. Going forward, we are committed to achieving sustainable growth while pursuing sustainability as essential synonymous with pursuing business itself.

• 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

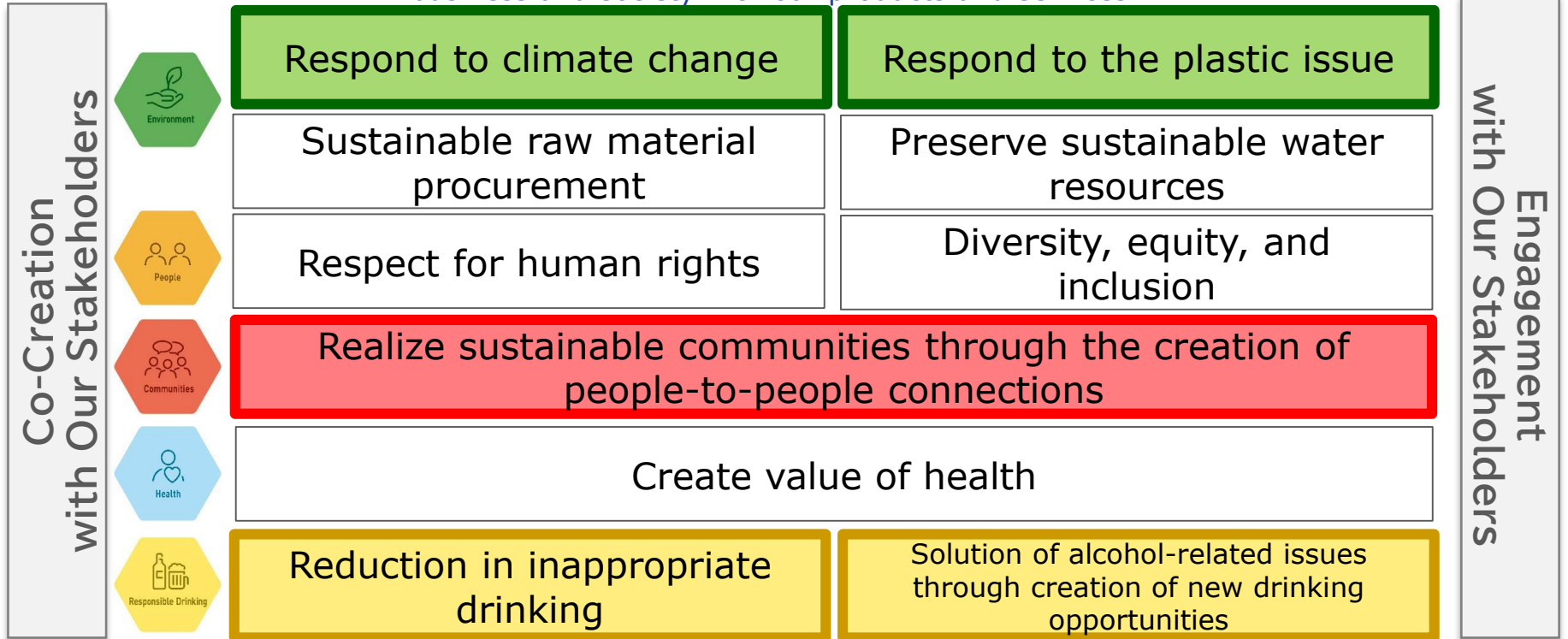
We will continue to deliver on our great taste promise and bring more fun to life for everyone by building value together with nature, community, and society at large for making the one and only future shine. With our concept “Cheer the Future,” we aim to take action toward a better world for all.



Objectives/Material Issues/Key Initiatives

Objectives: Realizing sustainability across the value chain

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



Global Targets for Key Initiatives



Respond to climate change

Asahi Carbon Zero

- Reduce our CO2 emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral by 2050
- Reduce CO2 emissions by 70% in Scope 1 and 2 and by 30% in Scope 3 by 2030 (compared with 2019)

Investment
Fields

Solar power generation facilities, greater energy-saving efficiency, and development and rollout of new fuel technologies

*Investments of JPY 50bn or more through 2030



Respond to plastic issue

3R+Innovation

- Realize 100% utilization of materials for plastic containers that can be used effectively*1 by 2025
- Achieve a 100% conversion to eco-friendly materials*2 for PET bottles by 2030
- Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers

Investment
Fields

Increased use of recycled PET, and development and rollout of new container technologies



Realize sustainable communities through the creation of people-to-people connections

RE:CONNECTION

- Work to resolve social issues in the key areas of food, regional environment, and disaster relief through our business
- Create opportunities for employees to participate in community support activities

Investment
Fields

Regional agriculture support and community assistance activities



Reduction in inappropriate drinking / Solution of social issues through creation of new drinking opportunities

Responsible Drinking Ambassador

- Achieve a 15% sales composition ratio of non-alcohol and low-alcohol beverages of main alcohol beverage products by 2025*3

Investment
Fields

Marketing investment, and R&D targeting a reduction in inappropriate drinking

*1 Effective use: Reusable, recyclable, compostable, thermal recyclable, etc

*2 Eco-friendly materials: Recycled materials, biomass materials, etc.

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

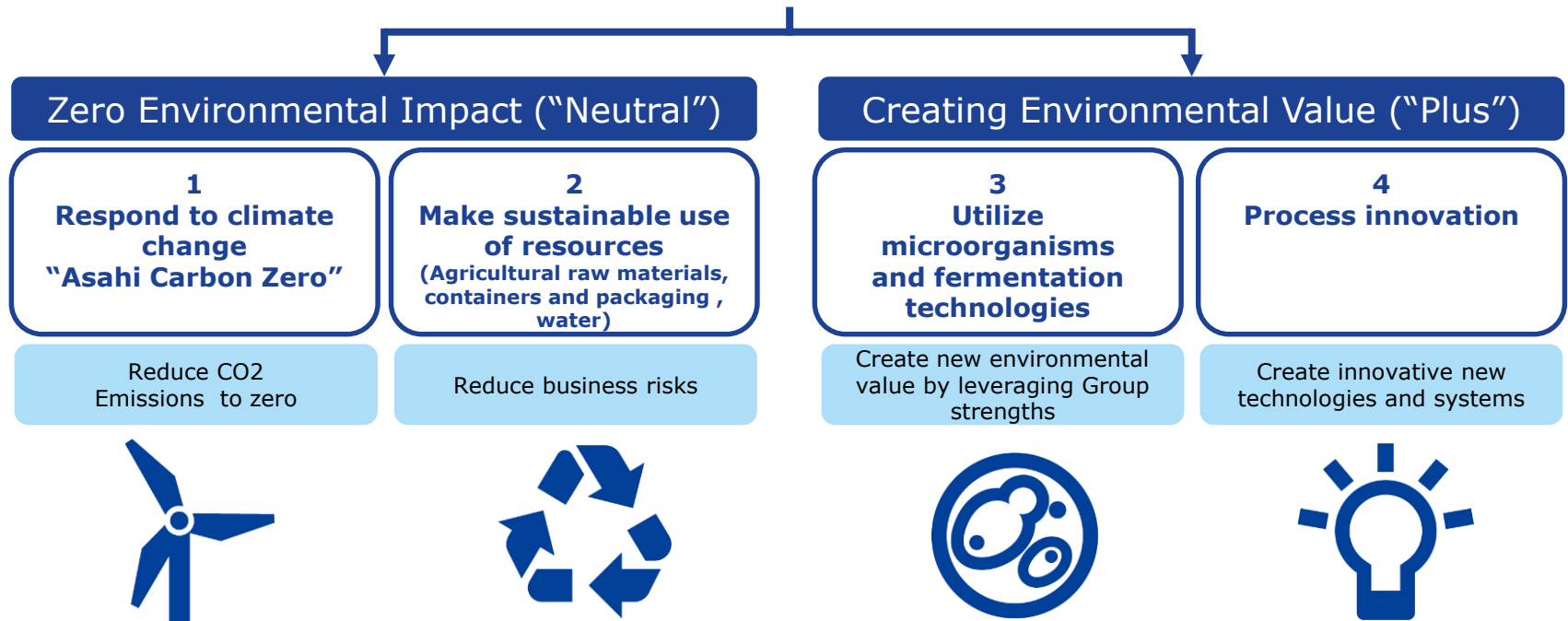
Environment



“Asahi Group Environmental Vision 2050”

“Asahi Group Environmental Vision 2050”

Pass on nature’s gifts to the next generation based on the “Neutral & Plus” concept



Targets for Responding to Climate Change



Asahi Carbon Zero

2050

Reduce our CO2 emissions in Scope 1, 2, and 3 to zero, thereby becoming carbon neutral

2030

Reduce CO2 emissions in Scope 1 and 2 by 70% (compared with 2019)* SBT 1.5°C

Reduce CO2 emissions in Scope 3 by 30% (compared with 2019) Well Below 2°C

***Upwardly revised the targets from a 50% reduction to a 70% reduction in January 2022**

**To achieve Scope 1 and 2 targets,
we expect to invest over 50 billion yen by 2030.**

Respond to Climate Change – Case Examples (Scope 1 & 2)

Expansion of eco-friendly products driven by renewable energy

Japan

In 2021, 29 of 33 production bases switched to renewable energy for purchased electricity



2025

Use renewable energy for 100% of electricity purchased at all production bases

Europe

Polish beer Lech is currently being brewed with wind power only



2025

Shift to 100% renewable energy for the electricity used at plants

Oceania

Electricity derived from renewable energy is being purchased under a corporate PPA



2025

Shift to 100% renewable energy for the electricity used in Australia and New Zealand

Stepping up efforts to reduce CO₂ with the use of new technology

Green heat

- Green heat is now being used in the Netherlands and the Czech Republic
- Green heat produced from renewable energy sources is being used alongside green energy with the goal of achieving carbon neutrality



Methanation

- We kicked off methanation demonstration testing—the first of its kind for a Japanese food manufacturer—and installed methanation equipment at the Asahi Group Research and Development Center
- CO₂ captured at the plant is used to produce synthetic methane by reacting it with hydrogen, and we are investigating the possibility of using it as a fuel source in the future for boilers and fuel cells with a view towards carbon recycling



Protect the environment in the containers & packaging and logistics

Containers and packaging

- Containers and packaging account for roughly 40% of scope 3 emissions
- In Japan we are expanding sales of label-less products, while in Oceania we have established a PET bottle recycling plant through a JV firm



Logistics

- Logistics account for roughly 20% of scope 3 emissions
- In Japan we are testing fuel cell truck deliveries in collaboration with another firm, while in Oceania we are distributing products with electric trucks



Impact on 2050 procurement prices from changes in yields of key agricultural products

Corn	1.97 billion yen
Coffee	2.66 billion yen
Barley	0.4 billion yen
Palm oil	0.02 billion yen
Soy beans	0.004 billion yen
Cacao	-0.06 billion yen

Measures:
Cooperation
with farmers
and suppliers

Support farmers / Contribute to realize sustainable communities

- Asahi Beverages in Australia is purchasing barley for its beer directly from farmers (around 70,000 tons per year, equivalent to about 92% of all barley purchased)
- The barley procured is of the highest quality and is compliant with Asahi Beverages' rigorous quality program
- The steady procurement of barley from farmers means they can invest further in technology, machinery, and personnel



TCFD: Business/Social Impact from Respond to Climate Change

Financial impact of carbon tax introduction

Scope1 and 2*1

2030	8.02 billion yen
2050	12.23 billion yen

Scope3*2

2030	32.25 billion yen
2050	62.01 billion yen

*1 Carbon tax on CO2 emissions from direct operations

*2 Carbon tax to be passed on to procurement cost of major containers

Measures:
Initiatives to achieve
"Asahi Carbon Zero"
including the
introduction of
renewable energy

"Asahi Carbon Zero" Reduction of CO2 emissions

Scope1 and 2

(Kilotons of CO2)

	2020	2021
Emission	858	744
Reduction (Compared with 2019)	-7%	-19%

Scope3

(Kilotons of CO2)

	2020	2021
Emission	6,420	6,330
Reduction (Compared with 2019)	-4%	-6%

Environmental Risk Assessment on Procurement of Raw Materials

Alongside the impacts of climate change yielded by TCFD analyses, we are also assessing impacts on water resources and biodiversity

Water Resources

- Using such tools as the WRI's Aqueduct and the WWF's Water Risk Filter to assess the risk of water shortages, drought, flooding, restrictions, and reputation

[Assessment results]

	Region	Risk	Raw materials
Alcohol Beverages category	River basins in Europe	Flooding	Barley
	River basins of North America	Restrictions	Corn
Non-Alcohol Beverages category	River basins of South America	Flooding	Coffee
	Oceania	Restrictions (flooding)	Sugar cane

Biodiversity

- Utilization of tools like Aqueduct and Water Risk Filter
- Assessing burdens on the ecosystem from the degraded state of ecosystem services and impacts of pesticide use, taking into account the degree of water shortages

[Assessment results]

	Regions that bear watching	Raw materials produced
Alcohol Beverages category	River basins in Europe	Barley, hops
	Great Lakes region of North America	Corn
Non-Alcohol Beverages category	River basins of South America	Coffee
	River basins of northern Japan	Skim milk and whole milk powder

Assessment results provided as feedback to 14 suppliers that face significant environmental risks

3R+Innovation

Realize 100% utilization of materials for plastic containers that can be used effectively by 2025

Convert to 100% eco-friendly materials for PET bottles by 2030

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

**Newly formulated in 2022
through discussions at the
Global Sustainability
Committee**

Respond to Plastic Issue – Case Examples

Adopting eco-friendly materials and reducing use of plastic for containers and packaging

Japan

Expanding sales of label-less products and “Tumbler in the Forest” made with timber from forest thinning practices



R PLUS JAPAN

2022

9% YoY increase in sales volume of label-less bottles

Europe

Paper-based packaging adopted for *Pilsner Urquell* and *Grolsch*



2030

25% reduction (vs. 2019) in plastic containers and packaging

Oceania

Establishment of new PET bottle recycling plant and adoption of 100% recycled PET for *Cool Ridge* bottles



PACT GROUP

CLEANAWAY

Asahi BEVERAGES

Coca-Cola EUROPEAN PARTNERS

2025

Building partnerships for collecting and recycling even more plastic

Amount to be passed on to procurement cost of containers

Business Impact of Carbon Tax (FY2021 Analysis)

Scope3

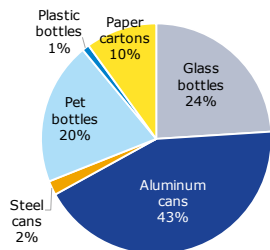
2030

2050

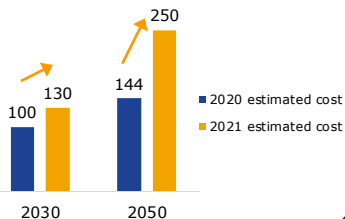
32.25 billion yen

62.01 billion yen

CO2 Emissions by Container Type and Forecast Carbon Tax Amounts



Forecast Carbon Tax Amounts (Dollars/tons)



Measures:
3R of containers
and packaging

Execution of 3R+Innovation

Percentage of Eco-friendly Materials Used in PET Bottles

2021 Result

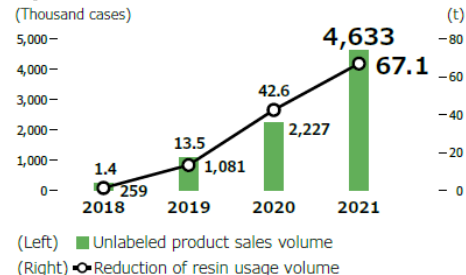
11%

By 2030

100%



Sales Volume for Unlabeled Products / Reduction of Resin Volume



People



People Statement

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

Diversity, Equity, and Inclusion

Establishment of our core message

- We incorporated equity into the name of the Statement, changing the name to the “Diversity, Equity & Inclusion Statement” to drive it.
- Establishment of “shine AS YOU ARE” as Our Core Message for internal promotion of DE&I.



Establishment of target for percentage of women in management

- Establishment of target for percentage of women in management

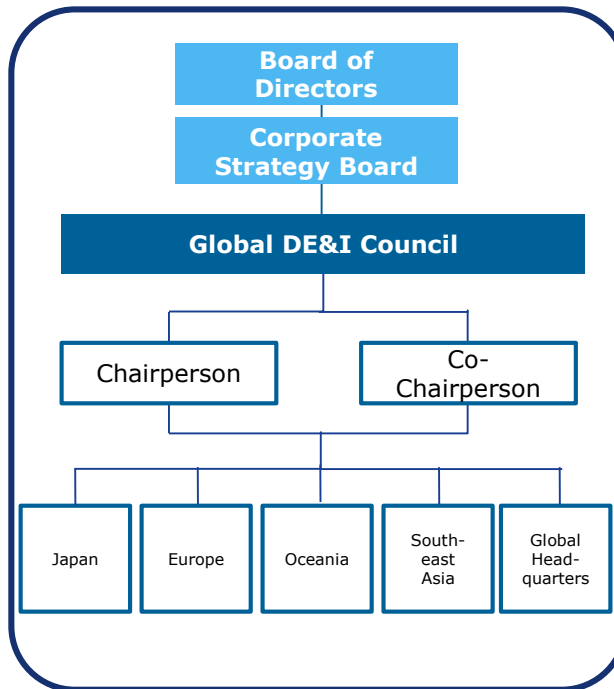
2021 22%



2030 40%



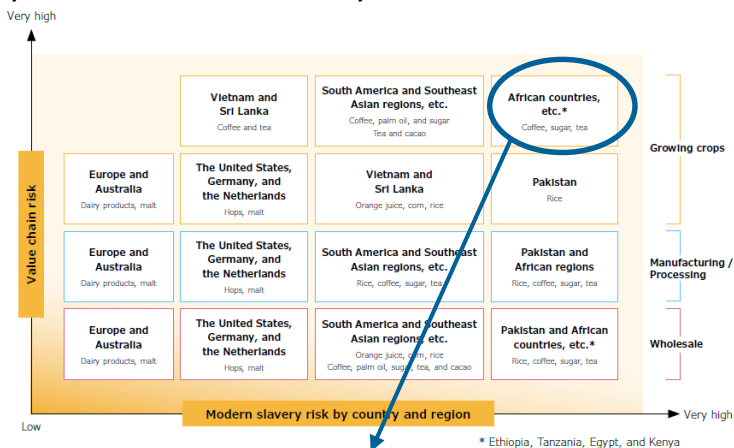
Creation of a global DE&I promotion structure



Respect for Human Rights – Case Examples

Conducting human rights due diligence on coffee plantations in Africa and gauging potential risks; continuing to prevent and alleviate negative impacts

Main raw materials procured:
Analysis of Modern Slavery Risk



Examples of initiatives aimed at reducing the human rights risks of stakeholders

Importers	Conducting surveys on suppliers
Exporters	Risk assessments and introduction of grievance mechanism
Cooperatives	Supporting improvements in work environments for farmers

Potential human rights risks

- Child labor
- Human rights vulnerabilities of farmers due to poverty
- Gender pay gaps, harassment of women
- Human rights violations during conflicts (Ethiopia)
- Unjust working conditions for day laborers
- Health hazards from pesticide and chemical fertilizer use

1. Confirmation of coffee beans procurement channels
2. Assessment of human rights impacts through desk research
3. Interviewing stakeholders

Communities



Realize Sustainable Communities through the Creation of People-to-People Connections – Case Examples

RE:CONNECTION

Japan

- Establishment of Asahi You.Us, Ltd., a new Group company to undertake sustainability business operations
- The company sells sustainable products such as eco-friendly “Tumbler in the Forest” made from biomass materials, and also brews and sells sustainable craft beer to help solve issues in the community



Southeast Asia

- Launch of a support program for local dairy farmers that produce raw milk for the purpose of sustainably procuring ingredients
- Farmers that satisfy certain quality standards and production volumes are eligible for subsidies paid by Etika Dairies



Realize Sustainable Communities through the Creation of People-to-People Connections – Case Examples

On World Environment Day (June 5), employees around the world did their bit for the environment to help build sustainable communities



RE:CONNECTION

for the EARTH 

Japan

Watershed forest conservation activities and cleanup events around Asahi factories



Southeast Asia

Webinars about protecting river ecosystems were hosted in collaboration with the National University of Malaysia



Responsible Drinking



WHO Global Alcohol Action Plan: Global Targets/Measures for Economic Operators



Global Targets for 2030

- **By 2030, at least a 20% relative reduction (in comparison with 2010) in the harmful use of alcohol**

*Total alcohol per capita consumption, prevalence of heavy episodic drinking and alcohol-attributable deaths and DALYs.

- **By 2030, 70% of countries have introduced, enacted or maintained the implementation of high-impact policy options and interventions.**

*Areas include advertising and marketing, affordability and availability of alcohol beverages, drink-driving, screening and brief interventions for risky patterns of alcohol use, and treatment of AUDs.

Proposed Measures for Economic Operators in Six Action Areas

*Organized and rephrased by content into four categories

Marketing	Restriction in policy, gov't and social engagement	Innovation	Data
<ul style="list-style-type: none"> • Eliminate the sale and advertising of alcohol to minors. • Enforce co-regulation and self-regulation • Refrain from promoting alcohol consumption • Eliminate health claims • Disclose easy-to-understand information for consumers on labels • Avoid marketing to new consumer segments. 	<ul style="list-style-type: none"> • Refrain from interfering (obstructing, delaying, etc.) with the development of alcohol policy • Cease from supporting scientific research on alcohol and health conducted for marketing and lobbying purposes. 	<ul style="list-style-type: none"> • Substitute high-alcohol products with non-alcohol or low-alcohol products where possible. 	<ul style="list-style-type: none"> • Disclose information to contribute to improved WHO estimates of alcohol consumption

Strengthening measures for reduction in inappropriate drinking, including under-age drinking, binge drinking, drunk driving, or drinking during pregnancy

- Asahi Europe and International launched an under-age drinking prevention program called Respect 18 with the aim of reducing the drinking of alcohol by under-age customers and strengthening legal restrictions on the sale and provision of alcohol to under-age customers



- In Japan we are promoting “smart drinking” with the aim of creating a society in which people respect drinking diversity
- By the end of 2023 we aim to have the labels of all canned products show the amount of net alcohol contained
- At the end of June 2022, we will open, on a trial basis, “smart drinking bar” for people who do not, or cannot, drink alcohol

(Joint venture company, Smart Drinking Co., Ltd., set up between Asahi Breweries and Dentsu Digital)



Expanding efforts to create social impact by involving industry groups and many other industries to build an approach that can solve issues in society as a whole

- IARD is developing global standards for e-commerce, an industry in which there are concerns about under-age drinking. The standards are being developed for e-commerce operators and parcel delivery companies. IARD will continue to deepen understanding of the standards and work to expand their implementation.



Age verification



Training for delivery staff



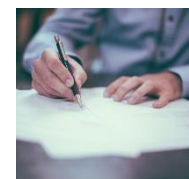
Restrictions on handing over alcohol to under-age customers or an intoxicated person



Age verification



Influencer age restrictions



Signing of contracts



Monitoring of posts

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

We aim to increase non-alcohol and low-alcohol sales composition ratio of main alcohol beverage products*1 to at least 15% by 2025

Japan

- Expanding minimal alcohol market
- Strengthening communication with people who do not or cannot drink alcohol



2025

20%

Europe

Signing of a global partnership with Aston Martin Cognizant Formula One™ Team for *Peroni Nastro Azzurro 0.0%*



2030

20%*2

Oceania

Expanding sales of non-alcohol and low-alcohol beverages, including the *Great Northern Brand*



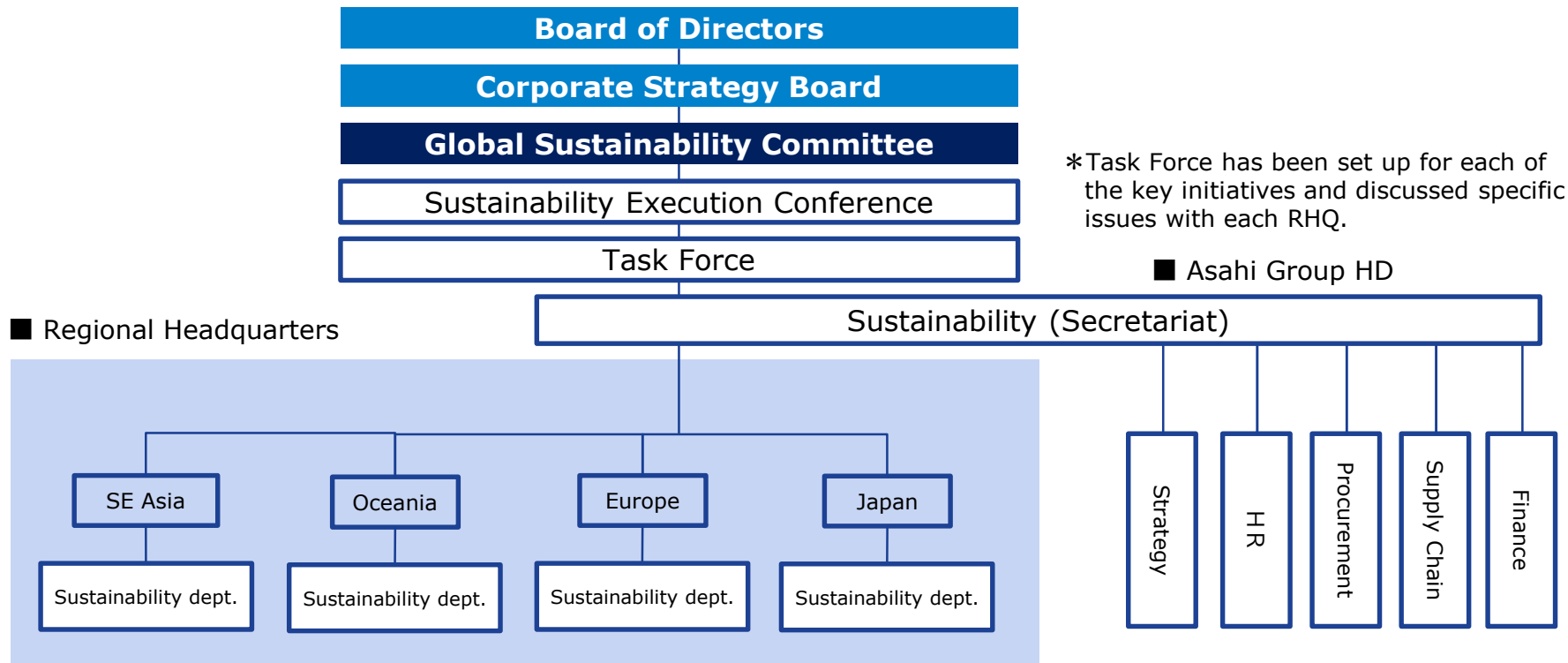
2025

30%

Sustainability Governance

Sustainability Promotion Structure

Strengthening effectiveness through a Group-wide promotion system



(Reference)

Results of Sustainability Promotion Structure in 2021



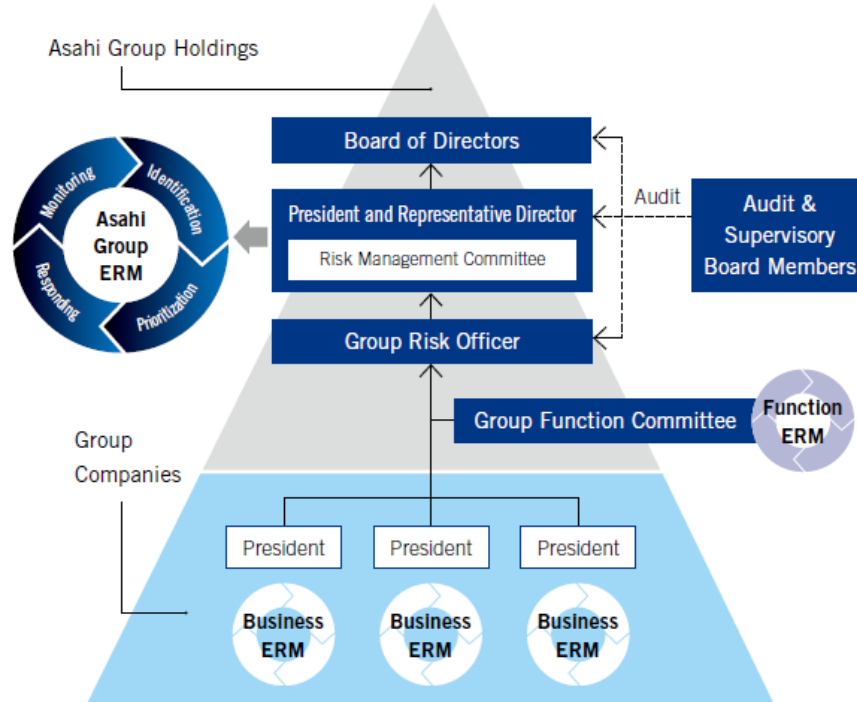
Body		Months held	Main Agenda
Global Sustainability Committee		Dec	<ul style="list-style-type: none">Resolution on global targets for use of eco-friendly materials in PET bottlesSharing best practice on communities
Sustainability Execution Conference		Mar	<ul style="list-style-type: none">Discussion on global promotion systemDiscussion on the roadmap and challenges to achieve the "Asahi Carbon Zero" goals resolved at the Global Sustainability Committee in December 2022
Sustainability Leaders Conference *Conducted to complement discussions at the Sustainability Execution Conference		May	<ul style="list-style-type: none">Discussions on the restructuring of the sustainability strategy in parallel with the discussion on the formulation of the Medium- to Long-Term Management Policy
		Sep	<ul style="list-style-type: none">Discussion on global targets for use of eco-friendly materials in PET bottles
		Nov	<ul style="list-style-type: none">Sharing R&D information of Asahi Quality & Innovations, Ltd.
Sustainability Task Force	Environment	Feb, Apr, Jun, Aug, Oct, and Dec	<ul style="list-style-type: none">"Asahi Carbon Zero" strategy for 2030Discussions on responding to plastic issueSharing the progress of the 2021 PlanBest practice sharing, etc.
	Communities	May and Sep	<ul style="list-style-type: none">Sharing policies and best practices for "local agriculture support activities", etc.
	Responsible Drinking	Feb, Apr, Jun, Aug, Oct, and Dec	<ul style="list-style-type: none">Sharing global trendsDiscussion on employee awareness and trainingSharing the progress of the 2021 PlanSharing best practices, etc.

Interaction with ERM

Identify key sustainability issues as our Group's main risk, and implement the PDCA cycle under the ERM system

Group ERM

The responsible director will take ownership and promote ERM by positioning the sustainability issues of climate change, plastic issues, human rights, and responsible drinking as the main risks for our Group.



Functional ERM

Promote ERM by identifying sustainability issues such as climate change, raw material procurement, responsible drinking, human resources, and plastic use as main risks

Variable Remuneration for Directors

Comprehensively evaluates progress and status of achievement of sustainability indicators (CO2 emissions, plastic, communities, responsible drinking, DE&I, etc.)

	Annual bonus	Medium-term bonus	Stock compensation
Period	Single fiscal year	Three years	Three years
Payment method	Cash	Cash	Stock
Payment period	Every March	March of the following year after the conclusion of the relevant period	Upon resignation
Performance Indicators (Weighted)	Core Operating Profit (50%) Profit attributable to owners of parent (50%)	Financial value indicators (60%) <u>Social value indicators (40%)</u>	(None)

*Adopts conventional external indicators (CDP, FTSE, MSCI) in order to ensure objectivity

In light of new disclosure frameworks, such as the ISSB's sustainability disclosure standards and the TNFD, we are improving our disclosure measures and enhancing information disclosure

2021-2022

- Sustainability website revamp
- New publication of our Sustainability Data Book



- New publication of Environmental Report



- Integrated Report



- New publication of TCFD Report



Looking ahead to next fiscal year

Establishment of
ISSB's sustainability
disclosure standards

TNFD
beta release

TCFD revisions
guidance

EU disclosure
requests for human
rights DD and
environmental DD

Improving measures in light of business relevancy and strengthening exhaustive information disclosure



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