



## Asahi Group Holdings Green Bond Framework

February 2023

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# **1 About Our Company and Sustainability**

## **1.1 Overview of Our Company**

Major businesses of Asahi Group Holdings, Ltd. (hereinafter also referred to as “we”) are as follows.

### **1.1.1 Japan Business**

Manufacture and sales of alcohol beverages, soft drinks, food, and pharmaceuticals

### **1.1.2 Europe Business**

Manufacture and sales of alcohol beverages

### **1.1.3 Oceania Business**

Manufacture and sales of alcohol beverages and soft drinks

### **1.1.4 South East Asia Business**

Manufacture and sales of soft drinks

### **1.1.5 Others**

Animal feed business and others

## **1.2 Asahi Group Philosophy**

In 2019, we reestablished our corporate philosophy to “Asahi Group Philosophy” (AGP). In the AGP, we embrace the principle of “building value together with all our stakeholders” in keeping with our mission to “deliver on our great taste promise and bring more fun to life,” and promise to deal in good faith with our stakeholders, including customers, employees, members of society, business partners, and shareholders.

### 1.3 Our Approach to Sustainability

#### 1.3.1 Positioning of Sustainability in Management

In order to put the Asahi Group Philosophy into practice, the Asahi Group has formulated a Medium- to Long-Term Management Policy in 2022, based on backcasting 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.

#### 1.3.2 Sustainability Philosophy

In regard to our sustainability philosophy, we have clearly defined the significance of working on sustainability in “Asahi Group Sustainability Principles” and the vision for the Group to aim towards the promotion of sustainability in “Asahi Group Sustainability Vision.” In addition, our “Sustainability Stories,” which we formulated for the purpose of achieving the integration of sustainability into management, show why, how, and what we are doing to address sustainability.

#### 1.3.3 “Asahi Group Sustainability Principles” and “Asahi Group Sustainability Vision”

In April 2020, we established “Asahi Group Sustainability Principles” and “Asahi Group Sustainability Vision” and revamped our material issues.

##### ■ 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).

### 1.3.4 Corporate Statement “Cheer the Future” and “Sustainability Stories”

In January 2023, we redefined “Cheer the Future,” which we had formulated to realize the integration of sustainability into management, as our corporate statement. We will push forward specific initiatives along with our “Sustainability Stories” that show why, how, and what we are doing to address sustainability.

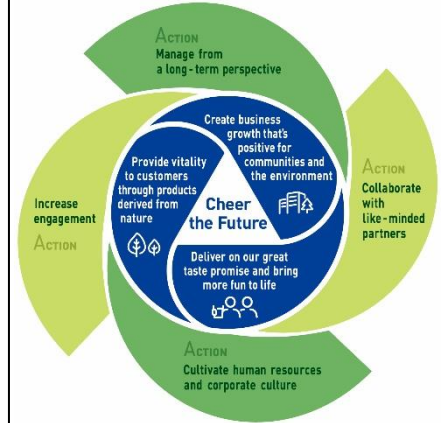
**Sustainability Stories**

**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.






### 1.3.5 Global Targets for Material Issues/Objectives/Key Initiatives

In association with the establishment of our corporate statement “Cheer the Future” and “Sustainability Stories,” we have reviewed our materiality issues. Specifically, in 2022, we established objectives to accelerate the integration of sustainability into management and designated key initiatives on which to focus our management resources. We have established global targets for key initiatives and incorporated them into Regional Headquarters’ targets and plans. The progress of these targets and plans is managed under the Asahi Group’s sustainability governance system.

◆ Material Issues/Objectives/Key Initiatives		
Material Issues	Objectives	Initiatives (highlighted in red:Key Initiatives)
Environment	Realizing sustainability across the value chain  As a group, we aim to manage risk and create opportunities while aspiring to make a positive impact for business and society with our products and services.	Respond to Climate Change
		Sustainable Packaging
		Sustainable Agricultural Raw Materials
		Sustainable Water Resources
Human Rights		Respect for Human Rights
Communities		Realize Sustainable Communities through the Creation of People-to-People Connections
Health	Create Value of Health	
Responsible	Reduction in Inappropriate Drinking	

Drinking		Solution of Alcohol-related Issues through Creation of New Drinking Opportunities
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◆ Global Targets in Key Initiatives		
Material Issues	Key Initiatives	Global Targets
Environment 	Respond to Climate Change	<ul style="list-style-type: none"> <li>Reduce our CO<sub>2</sub> emissions in Scope 1, 2, and 3 to zero there by becoming carbon neutral by 2050 (compared with 2019)</li> <li>Reduce CO<sub>2</sub> emissions by 70% in Scope 1 and 2 and by 30% in Scope 3 by 2030 (compared with 2019)</li> </ul>
	Sustainable Packaging	<ul style="list-style-type: none"> <li>Realize 100% utilization of materials for plastic containers that can be used effectively*<sup>1</sup> by 2025</li> <li>Achieve a 100% conversion to eco-friendly materials*<sup>2</sup> for PET bottles by 2030</li> <li>Examine the development of eco-friendly materials and sales methods that do not make use of plastic containers</li> </ul> <p>*<sup>1</sup> Reusable, recyclable, compostable, thermal recyclable, etc. *<sup>2</sup> Recycled materials, biomass materials, etc.</p>
Communities 	Realize Sustainable Communities through the Creation of People-to-People Connections	<ul style="list-style-type: none"> <li>Work to resolve social issues in the key areas of food, regional environment, and disaster relief through our business</li> <li>Create opportunities for employees to participate in community support activities</li> </ul>
Responsible Drinking 	Reduction in Inappropriate Drinking	<ul style="list-style-type: none"> <li>Achieve a 15% sales composition ratio of non-alcohol and low-alcohol beverages of main alcohol beverage products by 2025*</li> </ul> <p>* Beer-type beverages, RTD, non-alcohol beverages</p>
	Solution of Alcohol-related Issues through Creation of New Drinking Opportunities	

### 1.3.6 Sustainability Governance

The Asahi Group’s sustainability governance system centers around the Global Sustainability Committee chaired by Group CEO for effective functioning. 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.



Organization	Role	Composition	Frequency of Meetings
Global Sustainability Committee	<ul style="list-style-type: none"> <li>Formulates the Group’s sustainability policy</li> <li>Determines sustainability strategy</li> <li>Makes investment decisions regarding sustainability</li> </ul>	Chairperson: CEO, Asahi Group Holdings, Ltd. Committee members: <ul style="list-style-type: none"> <li>Executive officer in charge of sustainability and division heads of relevant sections, Asahi Group Holdings, Ltd.</li> <li>Regional Headquarters: CEO and executive officer in charge of sustainability</li> </ul>	Annually
Sustainability Execution Conference	<ul style="list-style-type: none"> <li>Incorporates strategies decided by the Global Sustainability Committee within regional headquarters and operating companies</li> </ul>	Chairperson: Head of Sustainability Section, Asahi Group Holdings, Ltd. Members: <ul style="list-style-type: none"> <li>Regional Headquarters: Executive officer in charge of sustainability and division heads of relevant departments</li> </ul>	Twice a year (semiannually)
Sustainability Task Force (each material issues)	<ul style="list-style-type: none"> <li>Concrete examination and promotion of each material Issues</li> </ul>	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"> <li>Persons in charge of material issues in Asahi Group Holdings, Ltd. and in related departments</li> <li>Persons in charge of material issues in Regional Headquarters</li> </ul>	As necessary

## 1.4 Specific Environmental Initiatives

### 1.4.1 Environmental Principles and Environmental Vision

We recognize that water, agricultural products and other “gifts of nature” are essential for us to carry out our business activities. We have established “Asahi Group Environmental Principles” for all employees of the Asahi Group to follow in addressing environmental issues proactively so that we can hand down the precious gifts of nature to future generations.

#### ■ Asahi Group Environmental Principles

The Asahi Group will comply with these principles as a guideline for all of the employees to proactively address environmental issues, and strive to realize, together with our stakeholders, Planet Positive set forth in our Environmental Vision 2050.

1. Create Environmental Management System

We will create a management system for regularly monitoring environmental activities, and take actions toward continuous improvements.

2. Proactively Promote Environmental Activities by Employees

We will develop human resources that are able to proactively promote environmental activities on their own, and engage in efforts to foster the corporate culture and raise the environmental awareness of society as a whole.

3. Strengthen Efforts for the Global Environment

We will endeavor to preserve the global environment through such efforts as the prevention of pollution, sustainable use of resources, mitigation of and adaptation to climate change, and protection of biodiversity.

4. Collaboration with Stakeholders

We will collaborate with stakeholders from diverse backgrounds, including local communities, and endeavor to create environmental value based on innovation and generate synergy.

5. Promote Engagement

We will disclose information in a way that is transparent and reliable, and proactively engage in communication with stakeholders.

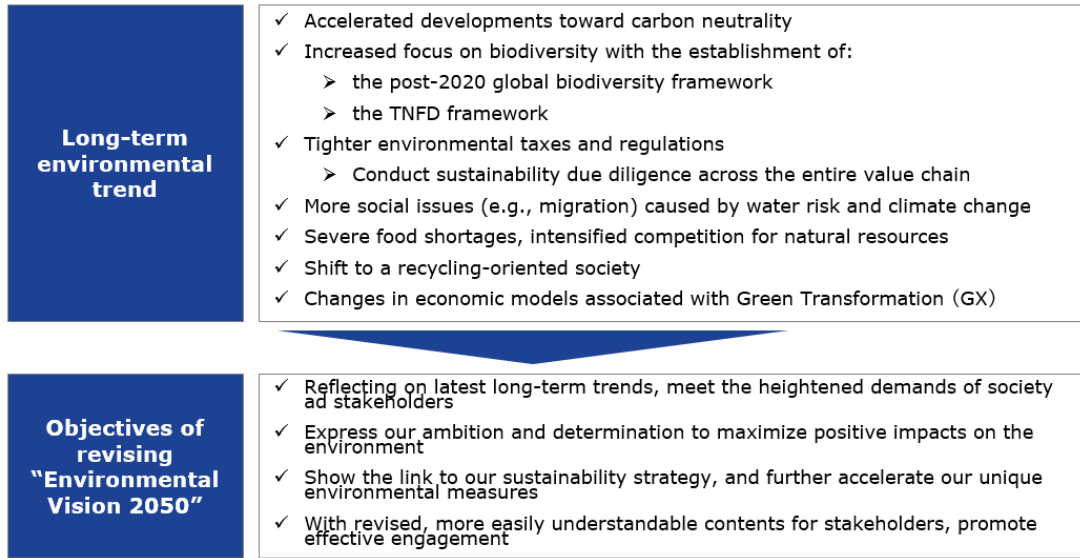
6. Compliance

We will comply with environmental laws and regulations of each country/region, international rules, and the standards of the industry and our own Company.

In February 2023, we revised “Asahi Group Environmental Vision 2050” formulated in 2019. Environmental developments are accelerating globally, with governments across the world strengthening their strategies toward achieving carbon neutrality. With awareness of society’s heightening expectations and requests for companies, we considered it necessary to update our vision to be more ambitious in terms of having positive impacts on the global environment. The new “Asahi Group Environmental Vision 2050” defines the ideal state of the world as “Planet Positive” and aims to have more positive impacts on the planet, compared to the “Neutral and Plus” concept targeted in the previous version.

Moreover, the new vision sets four pillars of environmental initiatives—1. climate change, 2. packaging, 3. agricultural raw materials, and 4. water resources—and defines initiatives as to how the Asahi Group is going to achieve the ideal state.

Under the new “Asahi Group Environmental Vision 2050,” we will take on the challenge of realizing a sustainable society while growing our business.



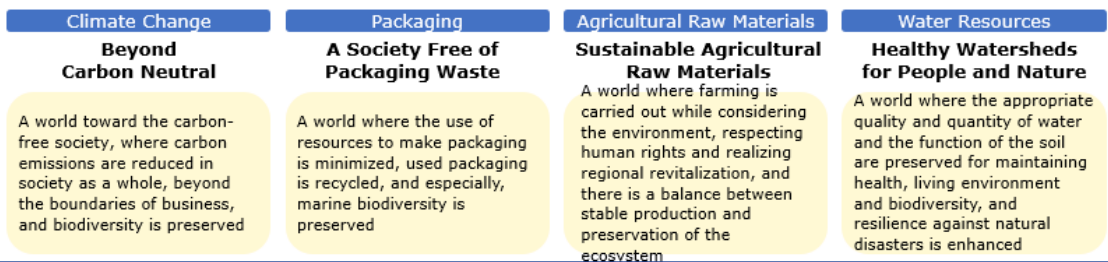
### Asahi Group Environmental Vision 2050

At the Asahi Group, we have been relying on the blessings of nature for more than 100 years to create products and services. Because of the deepening of global environmental problems, we cannot help but have a sense of impending crisis that not only the sustainability of our business but also the survival of the human race are under threat.

As we would be unable to continue our business without these blessings 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.

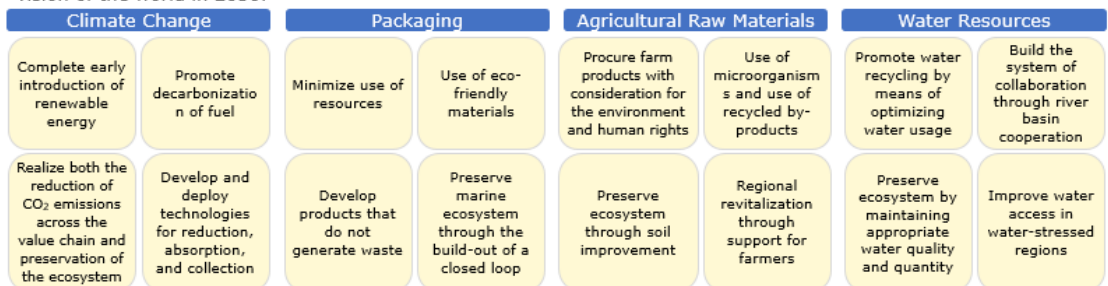
### Our Vision of the World in 2050

#### Planet Positive



### Efforts Being Made by the Asahi Group to Realize its Vision

At the Asahi Group, we are carrying 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 our vision of the world in 2050.





### 1.4.2 Respond to Climate Change: "Asahi Carbon Zero"

We aim to achieve zero emissions of carbon dioxide, or carbon neutrality, by 2050, by setting medium-to long-term targets on climate change and pushing forward initiatives across our value chain, such as proactively using electricity generated from renewable energy sources and saving more energy. Asahi Carbon Zero, our medium- to long-term targets for reducing CO<sub>2</sub> emissions, 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. Initial targets set at the time of formulation in 2018 were aimed at achieving zero CO<sub>2</sub> emissions by 2050, and reducing Scope 1, 2, and 3 CO<sub>2</sub> emissions by 30% (versus 2015 levels) by

#### Changing the Target Values for Asahi Carbon Zero

	Scope	At time of formulation in 2018	Revision in December 2020	Revision in January 2022
<b>2050 targets</b>	Scope 1, 2, and 3	Zero CO <sub>2</sub> emissions	No changes	No changes
<b>2030 targets</b>	Scope 1 and 2	30% reduction in CO <sub>2</sub> emissions (compared with 2015)	50% reduction in CO <sub>2</sub> emissions (compared with 2019)	70% reduction in CO <sub>2</sub> emissions (compared with 2019)
	Scope 3	30% reduction in CO <sub>2</sub> emissions (compared with 2015)	30% reduction in CO <sub>2</sub> emissions (compared with 2019)	No changes

2030. With details of the plan fleshed out, we have revised the target values upward. We now target 70% reductions in Scope 1 and 2 CO<sub>2</sub> emissions, and a 30% reduction in Scope 3, versus 2019 levels by 2030. In addition, we started our discussions on contributing to reductions in carbon emissions of the entire society beyond the boundaries of businesses toward "Beyond Carbon Neutral" set in the new "Asahi Group Environmental Vision 2050."

#### "Asahi Carbon Zero" Targets

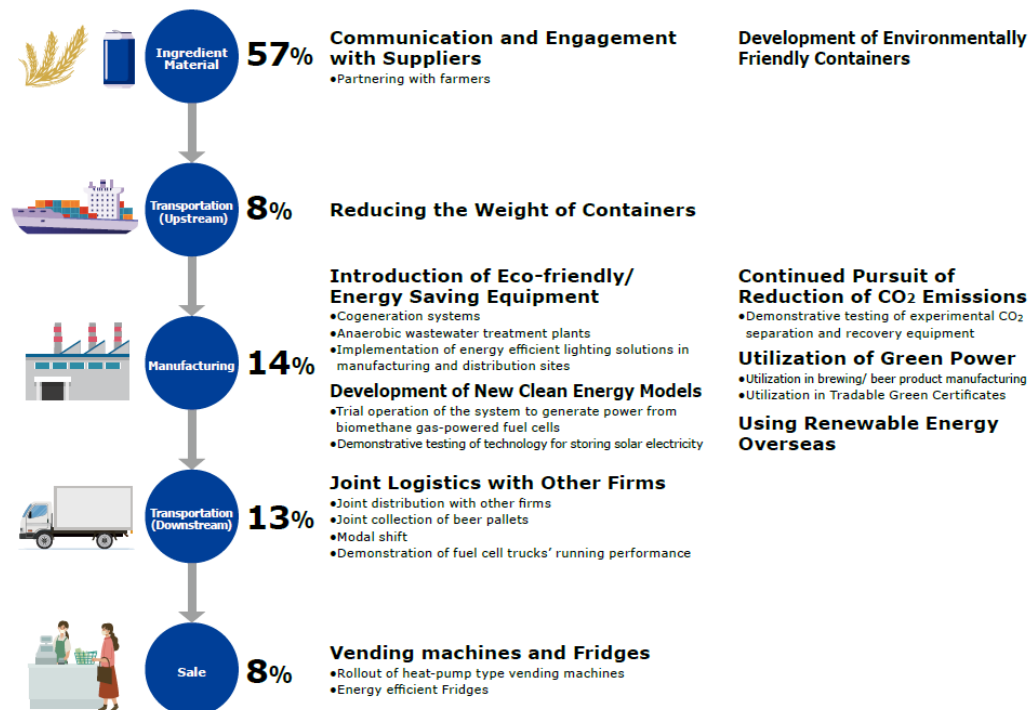
<b>The Asahi Group's Medium- to Long-Term Target for Reducing CO<sub>2</sub> Emissions</b> <b>Asahi Carbon Zero</b>	<ul style="list-style-type: none"> <li>• Reduce our CO<sub>2</sub> emissions in Scope 1, 2, and 3 to zero there by becoming carbon neutral by 2050<sup>*1</sup></li> <li>• Reduce CO<sub>2</sub> emissions by 70% in Scope 1 and 2 by 2030 (compared with 2019)<sup>*2</sup></li> <li>• Reduce CO<sub>2</sub> emissions by 30% in Scope 3 by 2030 (compared with 2019)<sup>*1</sup></li> </ul>				<b>SDGs</b>  7.2/7.3/13.1/13.2
<b>Plans for each RHQ</b>	<b>Japan</b>  <ul style="list-style-type: none"> <li>• Use renewable energy for 100% of electricity purchased at all production bases by 2025</li> <li>• Reduce CO<sub>2</sub> emissions every year by 1% or more over the previous year</li> </ul>	<b>Europe</b>  <ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub> emissions in Scope 1 and 2 to zero by introducing renewable energy at plants, thereby becoming carbon neutral by 2030</li> <li>• Shift to 100% renewable energy for the electricity used at plants by 2025</li> </ul>	<b>Oceania</b>  <ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub> emissions in Scope 1 and 2 by 50% by 2025 (compared with 2019)</li> <li>• Shift to 100% renewable energy for the electricity used in Australia and New Zealand by 2025</li> </ul>	<b>Southeast Asia</b>  <ul style="list-style-type: none"> <li>• Reduce CO<sub>2</sub> emissions in Scope 1 and 2 by 20% by 2030 (compared with 2019)</li> </ul>	

<sup>\*1</sup> Applicable companies: Asahi Breweries, Ltd., Asahi Soft Drinks Co., Ltd., Asahi Europe & International Ltd., and Asahi Holdings (Australia) Pty Ltd.  
<sup>\*2</sup> Applicable companies: Asahi Group Japan, Ltd., Asahi Europe & International Ltd., and Asahi Holdings (Australia) Pty Ltd.

## Overview of Initiatives Aimed at Achieving "Asahi Carbon Zero"

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

Ratios of CO<sub>2</sub> Emissions in the Value Chain



## Endorsement of 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.

#### Initiatives in Japan

The Asahi Group's businesses in Japan promote the use of renewable energy. In Japan's Tohoku, Kanto, and Kansai regions, 21 of our plants had switched to renewable energy for electricity purchased by December 2021. Also, eight plants in Hokkaido, Hokuriku, Chubu, and Chugoku regions made the switch in April 2022. Accordingly, we have completed the transition to renewable energy for 29 out of total 33 plants in Japan. Of the total electricity purchased by all Asahi Group sites in Japan, approximately 79% (251GWh) now comes from renewable energy sources, which translates to an annual reduction in CO<sub>2</sub> emissions of 114,000 tons. Asahi Breweries, Ltd. uses green power, which is energy generated from environmentally-friendly energy sources, across all of its breweries for the production of Asahi Super Dry beer 350ml and 500ml cans, non-alcohol, beer-tasting Asahi Dry Zero 350ml cans, and all gift sets of beers.

Asahi Quality and Innovations, Ltd. (AQI), a research and development arm of the Asahi Group, is conducting a demonstration test to produce 200 kW-class power from fuel cells utilizing biomethane gas generated in the wastewater treatment processes at the Ibaraki Brewery of Asahi Breweries, Ltd. The fuel cells used here are called solid oxide fuel cells (SOFCs), which generate electricity by directly breaking down methane gas, and are known as an extremely efficient method of generating electricity. However, fossil fuels are usually used as fuel and the CO<sub>2</sub> emitted during power generation is an issue. Regarding this issue, AQI has developed a new fuel cell system that focuses on biomethane gas generated during the wastewater treatment process at breweries.

#### Initiatives in Europe

Asahi Europe & International, Ltd. sets the goal of achieving carbon neutrality at all of its plants by 2030 and is in the process of switching to electricity generated from renewable energy sources. Lech, Poland's major premium brand beer, states in its package that only electricity generated from wind power is used for its production. We are also undertaking efforts toward heat 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 production process. In 2021, Grolsch Brewery in the Netherlands concluded a heat supply contract with the energy supplier Twence, and subsequently commenced the use of green heat in 2022. Twence

supplies green heat to Grolsch via an underground pipeline, and this heat is used to heat pasteurizers and rinsing machines as well as building interiors. Transitioning to green heat will help Grolsch reduce its CO<sub>2</sub> emissions from natural gas usage by approximately 5,500 tons a year. The green heat procured from Twence utilizes non-reusable waste wood released during construction work and other activities, which gives consideration to the effective use of resources as well. In the Czech Republic, Plzeňský Prazdroj 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 utilizing wood chips as a raw material in 2021.

#### Initiatives in Oceania

Asahi Holdings (Australia) Pty Ltd. 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. Moreover, in July 2021, deliveries of major Asahi Beverages beer *Victoria Bitter* commenced via electric truck. The truck is powered entirely by 100% renewable energy drawn from a major solar farm in Victoria, Australia in which Asahi Beverages has a long-term purchase arrangement. With the ability to run up to 250 km on a single charge, the electric truck delivers over 100,000 cans and bottles of *Victoria Bitter* and other Asahi Beverages beers each week from a distribution center in Melbourne's West to stores across the city. The introduction of the electric truck was made possible through the cooperation of major logistics company Linfox Pty Ltd., which delivers hundreds of millions of liters of beer annually for Asahi Beverages, and Volvo Group Australia, which provides vehicles to Linfox.

#### Initiatives in Southeast Asia

Asahi Holdings Southeast Asia Sdn. Bhd.'s Malaysia-based subsidiary Etika Beverages Sdn. Bhd. (Etika Beverages) concluded an on-site power purchasing agreement (PPA) for the purchase of privately generated electricity in 2020. In March 2022, Etika Beverages completed the installation of a solar power generation system on the roof of one of its plants. The system is expected to reduce CO<sub>2</sub> emissions by roughly 1,700 tons. Examinations for the utilization of similar PPAs are underway at Etika Dairies Sdn. Bhd. in Malaysia as well as at PT. Etika Dairies Indonesia and PT. Etika Manufacturing Indonesia in Indonesia. Going forward, the Asahi Group plans to further expand the introduction of renewable energy in Southeast Asia.

### 1.4.3 Sustainable Packaging: Respond to the plastic issue

#### “3R+Innovation”

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. To date, in order to promote the 3Rs (Reduce, Reuse, Recycle) with regard to containers and packaging, the Asahi Group has collaborated with industry bodies for each container and packaging material and participated in activities aimed at resolving social issues. In addition, it has driven initiatives to reduce environmental impact by developing lighter and more recyclable containers and packaging through joint technology development with suppliers, as well as by adopting recycled and biomass materials and otherwise utilizing environment-friendly materials. However, we are currently facing diverse problems that have an impact on the environment and society, including ocean plastic pollution and microplastics. Although plastic is used for a diverse range of container and packaging types and applications due to its convenience, it also has an impact on ecosystems and marine pollution due to its outflow into the natural world as a result of inappropriate waste processing and disposal of used plastic container and packaging waste. The Asahi Group has established a strategic direction for tackling social issues with a view to 2030 in the form of the “3Rs + Innovation,” and is working to solve these issues.

#### Group-wide Targets



\*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.

#### Initiatives in Japan

Asahi Soft Drinks Co., Ltd. has been working on the promotion of environmentally-friendly products as a priority environmental issue. In 2008, the company adopted, for the first time in the industry, a plant-derived product label that was 50% made from a corn-based raw material, with a view to ensure: 1) effective use of resources; 2) a shift away from exhaustible petroleum resources; and 3) a reduction in CO<sub>2</sub> emissions. Further, in the aim of saving resources and enhancing convenience, the company has been engaged in efforts to develop and adopt environmentally-conscious containers and packages, including the *Raku-eco* (easy-to-handle and ecological) PET bottles and the *Eco-style* caps, one of the industry's lightest-weight PET bottle caps. The company's most recent activities include the adoption of the nation's lightest PET bottle caps for carbonated drinks and the reduction of the use of roll labels to be attached to PET bottles. In regard to reducing labels put on products, the company launched some unlabeled products for sale-by-case only, under the *Asahi Oishii Mizu* brand in 2018, and it expanded the use of unlabeled bottles to the *Juroku-cha* and the *Mamoru Hataraku Nyusankin* brands in 2019. 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 CO<sub>2</sub> 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. In addition, to introduce recycled PET bottles, the company adopted used and recycled PET bottles for some dairy drinks such as *Calpis Water* in July 2019. Later, the use of recycled bottles was expanded to some carbonated drinks that require bottle pressure resistance, such as the *Mitsuya* brand products and the *Wilkinson Tansan* carbonated water. 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. In April 2022, we started producing large sized PET bottles 100% made from chemically recycled resin for some products ("*Mitsuya*," "*Calpis*," "*Asahi Jurokucha*," "*Asahi Oishii Mizu*," and "*Bireley's*" ). With this, those made from recycled PET resin will account for some 40% of large sized PET bottles

produced annually by the company, reducing CO<sub>2</sub> emissions from bottle production approximately by 47% or 18,400 tons per year compared with the current level.

#### Initiatives in Oceania

Asahi Holdings (Australia) Pty Ltd., an Asahi Group member company in charge of the Australian business, promoted the reduction of PET bottle weight and the introduction of recycled bottles by investing in the blow-fill technology, which is designed to manufacture PET bottles in-house. It also succeeded in achieving the goal of using 100% recycled PET bottles for non-sparkling products in the *Cool Ridge* mineral water brand, and 50% recycled PET bottles for *Cool Ridge Sparkling Water*. Also, Asahi Beverages Pty Ltd. operates a joint venture with Pact Group, a wrap and packaging manufacturer; Cleanaway, a waste management company; and Coca-Cola Europacific Partners (CCEP), a competitor company, which constructed and now operates Australia's largest PET bottle recycling facility in New South Wales, Australia. In March 2022, this recycling facility officially commenced operations and will process up to 28,000 tons of used PET bottles each year. Additionally, the joint venture is building a new facility in Victoria, Australia. Like the New South Wales plant, it will use cutting-edge sorting, cleaning, and decontamination technologies. Each facility will process the equivalent of one billion PET plastic bottles annually and will produce over 20,000 tons of PET.

## 2 Green Bond Framework

We, the Asahi Group, are engaged in business activities that benefit from “gifts of nature,” and are continually in pursuit of products that can deliver the highest quality and excellent taste that exceeds our customers’ expectations. Considering this, it is vital for us to take on the challenges of not only reducing environmental burdens but creating positive environmental values and thereby achieving both a sustainable society and a business growth. The Asahi Group Green Bond Framework was established to finance the projects designed to address these challenges with the green bond proceeds.

The Framework conforms to the Green Bond Principles (GBP) 2021 published by the International Capital Market Association (ICMA), as well as the Ministry of the Environment's Green Bond Guidelines (2020 version). The following shows the four key areas defined in the Framework:

- 2.1 Use of proceeds
- 2.2 Process for project evaluation and selection
- 2.3 Management of proceeds
- 2.4 Reporting

### 2.1 Use of proceeds

The proceeds of the green bond will be allocated towards financing new or existing projects that meet the eligibility criteria described below. If the proceeds are allocated to the refinancing of existing projects, such projects should be limited to those that have been launched or started operation within 24 months prior to the date of the green bond issuance.

#### 2.1.1 Construction of Tosu Brewery

GBP Category	Green buildings, renewable energy, energy efficiency, and environmentally-friendly production technologies and processes
Corresponding initiative	1.4.2 Respond to Climate Change: “Asahi Carbon Zero”
Details of the use of funds	<Project Overview> Asahi Breweries, Ltd. has named the new plant scheduled to start operations in 2026 “Tosu Brewery,” and concluded a memorandum of understanding on Asahi Breweries’



business expansion into Tosu City, with Saga Prefecture and Tosu City on October 14, 2022. As a model facility for Asahi Group's next-generation production system, the Tosu Brewery will, by renovating the manufacturing method and other initiatives, achieve a 50% reduction of energy consumption compared with current levels and promote renewable energy for the energy to be used. Furthermore, under Asahi Carbon Zero, a medium- to long-term target of Asahi Group aimed at achieving zero CO<sub>2</sub> emissions across the whole supply chain by 2050, CO<sub>2</sub> capture technologies and other initiatives will be introduced with the goal of achieving carbon negative, where the CO<sub>2</sub> absorption volumes exceed CO<sub>2</sub> emissions, sometime in 2026. Moreover, a diverse range of the Group companies' products, such as beers, non-alcohol beer-taste beverages, and ready-to-drink beverages, and containers will be manufactured, in addition to soft drinks products, with the aim of streamlining distribution and increasing brewery capacity utilization. With the relocation of the factory, it will be possible for the Tosu Brewery to manufacture and ship the majority of the products that are delivered throughout the Kyushu region. It is expected that improving the demand-to-supply ratio and shortening the distance traveled for delivery within the Kyushu region will achieve a reduction of 30% compared with current levels in CO<sub>2</sub> emissions in logistics operations.

<Projects Funded by the Proceeds>

- Environmentally-friendly buildings: Acquisition of "four stars" in the Building-Housing Energy-efficiency Labeling System (BELS)
- Adoption of facilities that help revamp production methods to reduce energy usage: Achieving a 50% reduction compared to the usage before the adoption
- Driving the use of renewable energy at plants: Adopting solar power generation facilities, using biomass energy, purchasing electricity generated from renewable energy sources, using ammonia-fired gas

	<p>turbines, and purchasing carbon offsets</p> <ul style="list-style-type: none"> <li>• Efforts to capture CO<sub>2</sub>: Adopting carbon capture and methanation technologies</li> </ul>
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### 2.1.2 Procurement of recycled PET, Procurement of biomass plastics

GBP Category	Eco-efficient and/or circular economy adapted products, production technologies and processes
Corresponding initiative	1.4.3 Sustainable Packaging: Respond to the Plastic Issue "3R+Innovation"
Details of the use of funds	<p>&lt; Project Overview &gt;</p> <p>In response to the issue of plastics used in our products, which requires an urgent solution, the Asahi Group has set a goal of achieving a 100% conversion to eco-friendly materials* for PET bottles by 2030.</p> <p>* Recycled materials, biomass materials, etc.</p> <p>Our latest concrete efforts are described below.</p> <p>Asahi Soft Drinks Co., Ltd started using recycled PET bottles for some of its products in July 2019 and is gradually expanding the use. We started using PET bottles 100% made from mechanically recycled resin for some "Wilkinson Tansan" 500ml PET products in February 2022, and PET bottles 100% made from chemically recycled resin for some large sized PET bottles in April 2022. In Australia, Asahi Beverages Pty Ltd. runs New South Wales-base Australia's largest joint venture for construction and operation of PET bottle recycling plants. Its new recycling plant with the capacity of processing up to 28,000 tons of used PET bottles annually started operations in March 2022.</p> <p>&lt;Projects Funded by the Proceeds&gt;</p> <ul style="list-style-type: none"> <li>• Procurement of recycled PET: Raw materials that comply with the "Guidance on the Use of Recycled Plastic Materials in Recycled PET Resin's Food Equipment, Containers, and Packaging" (Ministry of Health, Labor and Welfare, April 27, 2012)</li> </ul>

	<ul style="list-style-type: none"> <li>Procurement of biomass plastics: Raw materials that obtained certifications such as the Biomass Plastic Mark (Japan BioPlastics Association), Biomass Mark (Japan Organic Recycling Association), and Rice Ink Mark (Rice Ink Consortium), etc.</li> </ul>
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### 2.1.1.3 Purchase of Renewable Energy

GBP Category	Renewable energy
Corresponding initiative	1.4.2 Respond to Climate Change: "Asahi Carbon Zero"
Details of the use of funds	<p>&lt;Project Overview&gt;</p> <p>In accordance with the Asahi Group Environmental Vision 2050, we implemented the Asahi Carbon Zero initiative to cope with the climate change. With Asahi Carbon Zero, the Asahi Group aims to reduce CO<sub>2</sub> emissions by 70% in Scope 1 and 2 and by 30% in Scope 3 by 2030 (compared with 2019).</p> <p>Of total 33 plants of the Asahi Group in Japan, 29 plants had switched to renewable energy sources for power purchased as of April 2022. With this change, we have raised the ratio of renewable energy to the total electricity that all Asahi Group sites in Japan purchase to approximately 79% (251GWh), reducing annual CO<sub>2</sub> emissions by 114,000 tons. We aim to make the switch for all of our sites in Japan by 2025 to purchase power generated from renewable energy sources, by driving our efforts to achieve "RE100" and "Asahi Carbon Zero." Including plants outside Japan, we expect to make the switch to renewables at 60 of total 66 plants worldwide (as of February 2023), or approximately 90% of the total by 2025.</p> <p>&lt;Projects Funded by the Proceeds&gt;</p> <ul style="list-style-type: none"> <li>Purchase of renewable electricity by domestic and overseas operating companies</li> </ul>

## 2.2 Process for Project Evaluation and Selection

Eligible projects will be evaluated and selected by Asahi Group Holdings' Management Strategy Committee or at each Group company's management meetings, based on the Group's Sustainability Strategy determined by the Global Sustainability Committee. When selecting a project, we will check the consistency with our Sustainability Strategy and confirm that the following measures have been taken to deal with environmental and social risks:

- Compliance with environmental laws and regulations required by the national or local government where the project is located; implementation of surveys to identify environmental impact as necessary
- Provision of sufficient explanations to local residents before implementing a project

In addition, we will confirm the compliance with the Group's Code of Conduct, policies, and guidelines listed below:

- Asahi Group Code of Conduct and Group Policies
- Procurement policies and guidelines: Asahi Group Sustainable Procurement Principles
- Asahi Group Supplier Code of Conduct
- Environmental policies and guidelines: Environmental Principles
- Green Purchasing Guidelines

## 2.3 Management of Proceeds

Finance of Asahi Group Holdings, Ltd. manages proceeds from green bonds issued under the Green Bond Framework. Finance tracks and manages the proceeds on a quarterly basis using an internal management system as long as the green bonds are outstanding. The proceeds are to be allocated within 24 months from the issuance of the green bonds. Until the proceeds are fully allocated, the amount equal to that of green bond proceeds will be held in cash or cash equivalents.

## 2.4 Reporting

Asahi Group Holdings intends to report on the allocation of proceeds to eligible projects and environmental impacts on an annual basis, on its corporate website and elsewhere.

### 2.4.1 Allocation Reporting

Asahi Group Holdings intends to report on the allocation of proceeds to eligible projects and environmental impacts on an annual basis, on its corporate website

or in the Integrated Report. The initial report will be published within one year after the issuance of the green bond to the extent disclosable.

- Overview of eligible projects funded by the proceeds
- Amounts of proceeds allocated and unallocated to each eligible project category
- Share of financing and refinancing
- The expected allocation timing for any unallocated proceeds, and how to manage those proceeds during the period in which they remain unallocated
- CFO's statement about the confirmation of the allocation of green bond proceeds to eligible projects

If any significant changes occur to the proceeds after the full allocation, we will disclose the information on a timely basis.

#### 2.4.2 Impact Reporting

As long as the green bonds are outstanding, we will disclose positive environmental impacts of eligible projects to the extent practicable.

Eligible Projects	GBP Category	Reporting Items
Construction of the Tosu Brewery	Green buildings, renewable energy, energy efficiency, environmentally-friendly production technologies and processes	<ul style="list-style-type: none"> <li>- Progress in the Asahi Carbon Zero Initiative</li> <li>- The overview, and certification type/rank obtained, of buildings certified as green buildings</li> <li>- Actual values of the Tosu Brewery as a whole for the following amounts:               <ul style="list-style-type: none"> <li>✓ Electric energy generated by type of power generation</li> <li>✓ Renewable energy (electricity) purchased</li> <li>✓ Reduction in CO<sub>2</sub> emissions</li> <li>✓ Rate of change in energy usage after changes in production methods/facilities</li> </ul> </li> </ul>
Procurement of Recycled PET, Procurement of	Eco-efficient and/or circular economy	<ul style="list-style-type: none"> <li>- Progress in initiatives towards sustainable containers/packaging</li> <li>- The volume of eco-friendly</li> </ul>

Biomass Plastics	adapted products, production technologies and processes	materials such as recycled PET and biomass plastic
Purchase of Renewable Energy	Renewable energy	- The amount of renewable energy (electricity) purchased