

Sustainability Material Issues: Progress and Achievements (as of August 2024)

* We have submitted a commitment letter to the SBT Initiative, and it has been accepted.

* Target setting company notation SH: Sapporo Holdings, SB: Sapporo Breweries, PS: Pokka Sapporo, SRE: Sapporo Real Estate, SLN: Sapporo Lion, SGF: Sapporo Group Foods, SBL: Sleeman, SUS: Sapporo USA, SVL: Sapporo Vietnam, PK: Pokka, YSM: Yasuma, FBS: Foremost Blue Seal, SSI: Shinsyu-ichi Miso

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Latest achievements and progress through the first half of 2024	
Harmony with the Environment	Realization of a decarbonized society	Reduction greenhouse gas emissions at company sites and supply chains	Greenhouse gas emissions reduction	Greenhouse gas emissions reduction	Sapporo Group	2030	Scope 1,2: Reduce greenhouse gas emissions by 42% compared to 2022	[2022 Achievements] 175.0 thousand tons (82.5% compared to 2022)	
					Sapporo Group (SB,SBL,PS)		Scope 3: Reduce greenhouse gas emissions by 25% compared to 2022 FLAG Scope 1,3: Reduce greenhouse gas emissions by 31% compared to 2022	[2023 Achievements] 1,104.6 thousand tons (97% compared to 2022) [2023 Achievements] 69.7 thousand tons (90% compared to 2022)	
					SB	2030	Domestic production wine PET: 50% recycled material usage rate	[2023 Achievement] Recycling material usage rate: 50.87%	
	Realization of a recycling-based society	Reduction of waste and food loss	-Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources	-Usage rate of recycled materials in PET bottle products -Reduction of plastic used in advertisement products -Implementation rate of food recycling, etc.	-Water recycling rates at production sites	PS	2030	Domestic sales PET products: 50% recycled material usage rate	[2023 Achievements] Recycling material usage rate: 9.7%
						SB	2030	Eliminate single-use plastic advertising materials derived from fossil fuels in Japan as a general rule	[2023 Achievements] 72.64%
						SLN	2024	Achieve a 50% rate of food recycling and other measures	[FY2023 (2023.4~2024.3) result] 90.6%
						SB,PS		Achieve a 100% recycling rate of waste at domestic production sites	[FY2023 (2023.4~2024.3) result] 100%
						SB,PS	2030	Reduce water usage at domestic production sites by 10% compared to 2013	[FY2023 result] Group (SB+PS): 18.0% reduction
						SB,SBL,SUSA,SVL,PS,PK,YSM,SSI		-Investigate water risks at all production sites once every three years -Efficient use of water	[FY2023 result] -Selected as CDP Water Security A-list company through disclosure of information on water risks, etc.
	Realization of a society in harmony with nature	Developing ingredients that respond to climate change and developing facilities/communities that coexist with nature	-Progress in developing ingredients to respond to climate change	-Progress in developing ingredients to respond to climate change	SB	2030	Apply for domestic variety registration of barley and hops with climate change-resistant traits	[FY2023 result] -Candidate varieties resistant to Fusarium head blight were submitted for public evaluation trials, and sowing has been completed. -Breeding materials related to pre-harvest sprouting tolerance were submitted for breeding trials in both Hokkaido and Canada, and sowing has been completed. -Tests are underway to establish DNA-based identification techniques for resistance to powdery mildew and downy mildew. -A preliminary investigation is underway regarding genes involved in root system development.	
							[FY2024 first half result] (Barley) -Candidate varieties resistant to Fusarium head blight were submitted for public evaluation trials, and sowing has been completed. -Breeding materials related to pre-harvest sprouting tolerance were submitted for breeding trials in both Hokkaido and Canada, and sowing has been completed. (Hops) -Tests are underway to establish DNA-based identification techniques for resistance to powdery mildew and downy mildew. -A preliminary investigation is underway regarding genes involved in root system development.		
Co-prosperity with Society	Mutual prosperity with local communities	-Improvement of regional value -Resolution of local issues using company resources	-Progress in sustainable urban development that contributes to improving area brand value -Progress of our "regional revitalization business"	-Progress in building an environment for lemon production in Japan	SRE		-Enhance the value of owned properties and create vibrant areas -Form, strengthen, and expand communities with stakeholders in property areas -Create facilities that are accessible to everyone	[FY2024 first half result] -Number of events contributing to community building: 26 (Ebisu: 21, Sapporo: 5)	
					SB		-Collaborate with local governments to create sustainable communities by matching local food suppliers with companies at food trade fairs -Achieve a satisfaction rate of 75.0% or higher among municipalities, suppliers, and buyers at trade fairs	[2024 first half results] Contracts have been awarded for 11 projects in 10 municipalities, and efforts are ongoing.	
					PS		Long-term goals: -Pass on the rich land and bounty of Japanese lemon cultivation to future generations and communities Short-term goals: -Increase farmland by a minimum of 2,000 square meters each year -Expand cultivated land in collaboration with partners, not just within the company -Take over farmland with no successors and revitalize abandoned farmland	[FY2023 result] -Conduct contract cultivation with farmers on the island -Conducted interviews with several other lemon producing regions +1,659㎡ converted to contract farmland	
					PS,SGF	2030	Increase by 10 times compared to 2021 (to a scale of 400 cases)	[FY2023 result] -250 cases (Approx. 6.8% times more compared to FY2021)	
	Providing health value	Providing health value through our business	-Development status of products that contribute to customer health	-Status of acquisition of certifications for properties that contribute to the provision of health value	-POKKA Lemon® brand aggregation [annual purchase rate (%), annual purchase quantity (units per buyer)]	PS	2030	Contribute to people's well-being by expanding the total demand for lemons through promoting the health benefits of lemons and proposing their various uses and occasions	[FY2023 result] 1. Annual purchase rate: 14.34 (%) 2. Annual purchase volume: 1.91 (number of bottles per purchaser) <Past reference values> 1. Annual purchase rate: 15.35(FY2020), 16.21 (FY2021), 15.48(FY2022) 2. Annual purchase volume: 1.89 (FY2020), 1.99 (FY2021), 1.92 (FY2022) Note: Values have been updated due to a change in the number of panels from the source.
						PK	2030	Develop and market new products focused on health, aiming for a 10% share of sales composition (limited to POKKA products)	[FY2023 result] -2.7%(Sales in Singapore only/Sales in Singapore)
						SRE		Obtain certifications for properties that contribute to providing health value	[2024 first half results] 2024/5 : Center Plaza Office (B1 and 2F) received the highest rank of "S" in CASBEE-Wellness Office Evaluation Certification. *Jointly acquired with Plus Corporation
	Building a sustainable supply chain	-Respect for Human Rights in the Supply Chain -Reduction of environmental impact in the supply chain -Stable procurement	-Respect for Human Rights in the Supply Chain -Reduction of environmental impact in the supply chain -Stable procurement	-Progress of human rights DD process	-Compliance rate with the Sustainable Procurement Guidelines	SB,SBL,SUSA,SVL,PS,PK,YSM,FBS,SSI,SLN		Implement initiatives to promote and disseminate the "Procurement Basic Policy" and "Sustainability Procurement Guidelines"	[FY2024 first half result] -Working to engage the major suppliers of each company and are gradually expanding the number of targeted suppliers to obtain agreements. -Conducted Sustainability Procurement Survey No currently problematic issues have been identified.
						SB,PS		Achieve a 100% compliance rate with the Sustainability Procurement Guidelines among major suppliers	[FY2023 result] -Achieved a 100% compliance rate
						SB,SBL,SUSA,SVL,PS,PK,YSM,FBS,SSI,SLN		Establish and implement a scheme to verify respect for human rights in the supply chain (*). (Prioritize implementation for major raw materials and high-risk raw materials) *1. List the supply chain for each raw material 2. Verify daily activities through surveys, etc. 3. Conduct situation investigations as necessary 4. Verify corrections as necessary	[FY2024 first half result] -Identify each company's major raw materials and high-risk raw materials -Listing the supply chain and Sustainability Procurement Survey is underway Regarding point 2, we are currently progressing towards the establishment and operation of the Sedex assessment scheme.
SB,PS						2025	Verify that the procurement of major raw materials and high-risk raw materials respects human rights	[FY2024 first half result] -Visualization of the supply chain from second-tier suppliers onward: In progress. -Conducted Sustainability Procurement Survey	
				SRE		Understand the actual situation regarding respect for human rights in the value chain of the real estate business	[FY2024 first half result] -Continued Group-wide collaborative efforts		

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Latest achievements and progress through the first half of 2024	
Success of Human Resources	●	Active participation of diverse human resources	Promotion of DE&I (Diversity, Equity, and Inclusion)	-Development status of systems and environments that match diverse values and new work styles	SH,SB,PS,SRE, SLN	2026	Work Engagement (*) 54 or higher * Indicator based on stress checks and employee awareness surveys <deviation value>	{FY2024 survey result} -Work Engagement 54 (Achieved the goal of 54 or more, continuing from the previous year)	
					SBL		Percentage of employees who have received DE&I training: 100%	{FY2023 result} -Percentage of employees who have received DE&I training: 94%	
					SVL		Percentage of employment leaders who have taken Conscious Inclusion training: 100%	{FY2023 result} -Conducted for 17% of the leader group and members of the HR department	
					PK		DE&I understanding: 6.0 points (*)	{FY2023 result} +5.74 points	
							Number of local employees among the executives: 2	{FY2024 result} -1	
							Organizational Culture Survey: 6.00 points (*) * Indicator based on the "Organizational Culture Survey" conducted by SVL (out of 7 points)	{FY2023 result} +5.96 points	
							Engagement (*) : 80% * Indicator based on the "Employee Survey" conducted by PK (Benchmark: 76%)	{FY2023 result} -77%	
							-Progress status of promotion of women's empowerment		
					SH,SB,PS,SRE, SLN		2026	Female directors ratio: 12% or more, female managers ratio: 12% or more	{As of June 30, 2024}
					SH		2030	Female directors ratio: 30% or more	-Female directors ratio: 14.7% (SH non-consolidated 18.2%)
SH,SB,PS,SRE, SLN		Female managers ratio: 20% or more	-Female managers ratio: 6.6						
Investing in human capital for growth and productivity			-Progress in fostering a challenging culture for future value creation	-Progress status of human resource development through active investment (management human resources/global core human resources/DX, IT core human resources)	SH,SB,PS,SRE, SLN	2026	Integrated Survey "Challenges for Creating Future Value" (*) 3.0 or higher * Unique survey indicator of the Sapporo Group based on stress checks and employee awareness surveys <quantified on a scale of 1.0 to 4.0>	{FY2024 survey result} -2.7	
					SH,SB,PS,SRE, SLN	2026	Fulfillment of management talent successors	{FY2024 first half result} -Conduct management talent development meetings and company-wide management talent liaison meetings at all operating companies	
					SH,SB,PS,SRE, SLN	2026	100 core global talents	{FY2023 result} -Global talents: More than 100 people are secured on a steady basis	
					SH,SB,PS,SRE, SLN	2026	200 DX, IT core talents	{FY2023 result} -DX, IT core talents: Completed developing 200 talents	
					SH,SB,PS,SRE, SLN	2026	Presenteeism loss rate (*) 33.4% or less * Indicator based on stress checks and employee awareness surveys	{FY2024 survey result} -Presenteeism loss rate 33.9% (Goal of below 33.4% not achieved)	
Promoting Responsible Drinking		Awareness of responsible drinking	-Progress in the labeling of pure alcohol content	SB	2025	Display the amount of pure alcohol per can (g) on domestically produced and sold canned alcoholic beverages and low-alcohol beverage containers: 100% implementation rate	{As of June 30, 2024} -94%		
				SB,SLN		100% participation in awareness programs such as e-learning for all domestic employees (once or more per year)	{FY2023 result} -September e-learning for all employees implemented promoting responsible drinking Employee participation rate 99.4%		
				SLN		0 incidents	{FY2024 first half result} -Number of incidents of accidental ingestion of alcohol at restaurants: 0 incidents		
				SLN		100%	{FY2024 first half result} -Percentage of restaurant menus and POPs displaying messages to prevent under-20s from drinking alcohol 100%		
Providing safe products and facilities		Food safety	-Operation and continuous improvement of the food safety assurance system -Number of serious food accidents	SB,SBL,SUSA,SVL,PS,PK,FBS,SSL,SLN		-Reflect voices of stakeholders, including customers and internal stakeholders, in the food safety assurance system. -Suppress the occurrence of serious food incidents	{FY2024 first half result} -Four external notification incidents occurred (SB: two cases of incorrect wine labeling, SSI: one case of incorrect labeling for EC products); however, no serious food incidents have occurred. <Improvements based on customer feedback> There were no cases reflecting feedback from stakeholders, including customers and internal parties.		
		Building safe facilities	-Status of initiatives for promoting facility safety	SRE		-Ensure proper emergency power supply for owned properties -Ensure reliable seismic performance for owned properties -Regularly review and conduct drills for emergency response plans	{FY2024 first half result} Implemented as planned		