

A Thorough Review of Our Sustainability Material Issues and Promote Initiatives to Achieve New Targets

We contribute to the Well-being of People and Local Communities through business

Sapporo Holdings Ltd. has thoroughly reviewed its Sustainability Material Issues in response to changes in the social situation and business environment surrounding our group in formulating the Medium-Term Management Plan (2023-26).

In response to the conventional Sustainability Material Issues identified as CSR Material Issues in 2017, our group has been working to achieve both the realization of a sustainable society and the sustainable growth of our group through each of our business activities. In this review, taking a wide range of social issues into consideration, we evaluated the relationship with each business from the perspective of risks and opportunities from both the "level of impact of business on society and the environment" and the "level of impact of society and the environment on the company's finances" and identified new Sustainability Material Issues. We have set new targets for each of the 9 sustainability material issues, and promote initiatives while monitoring the progress toward the achievement.

Through the Time and Space where all our businesses is playing , we contribute to Well-being of People and Local Communities



In particular, given their relevance to the Group's business and the magnitude of the impact of risks and opportunities (Table 1), we have positioned the "Realization of a decarbonized society", "Mutual prosperity with local communities", and "Active participation of diverse human resources" as the most important issues, and have set specific indicators and targets. (Table 2, Table 3, Table 4)

We are strongly aware of our role as a company in resolving the issue of "realizing a decarbonized society", which is an urgent global issue, and regarding CO2 emission reduction, we set targets for "Scope 1 and 2: 4.2%/year reduction from the base year" and "Scope 3: 2.5%/year reduction from the base year", and submitted a commitment letter to the SBT Initiative, which was accepted. (Note 1)

(Table 1) Level of impact on each business, society, and environment of the three material issues

Material Issues (Most Important Issues)	Relevance to each business			Impact of our business on society and the environment		Social/environmental impact on company finances	
	Alcoholic Beverages	Food & Beverages	Real Estate	Risk	Opportunity	Risk	Opportunity
Realization of a decarbonized society	◎	◎	○	Large	Large	Large	Medium
Mutual prosperity with local communities	◎	◎	◎	Medium	Large	Medium	Large
Active participation of diverse human resources	◎	◎	◎	Small	Medium	Large	Large

(Table 2) Realization of a decarbonized society

Specific Initiatives	Indicators	Targets
Reducing CO2 emissions at company sites and supply chains	•CO2 emissions reduction	For 2050 •Scope 1, 2 Zero CO2 emissions
		For 2030 •Reduction of CO2 emissions at the Scope 1 and 2 SBT certification level (= 4.2%/year from the base year) * Commitment letter submitted to SBT initiative, accepted
		For 2030 •Reduction of CO2 emissions at the Scope 3 SBT certification level (= 2.5%/year from the base year) (SB,PS,SBL) * Commitment letter submitted to SBT initiative, accepted

(Table 3) Mutual prosperity with local communities

Specific Initiatives	Indicators	Targets
•Improvement of regional value •Resolution of local issues using company resources	•Progress in sustainable urban development that contributes to improving area brand value	•Improving the value of properties and creating excitement •Community formation, strengthening, and expansion with stakeholders in the vicinity of properties •Creating facilities that are friendly to everyone (SRE)
	•Progress of our “regional revitalization business”	•In order to create sustainable regions in cooperation with local governments, we will conduct matching between local food suppliers and companies at food business meetings (SB)
	•Progress in building an environment for lemon production in Japan	•Expansion of cultivated land not only in-house but also with partners •Taking over farmland without a successor •Implementation of initiatives to regenerate abandoned farmland (PS)

	<ul style="list-style-type: none"> •Number of regional learning programs (food education, on-site classes, factory tours, etc.) related to the food and beverage business 	<p>For 2030</p> <ul style="list-style-type: none"> •Four times as many as FY2021 (140 cases) <p>(PS,SGF)</p>
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(Table 4) Active participation of diverse human resources

Specific Initiatives	Indicators	Targets
Promotion of Diversity & Inclusion (D&I)	<ul style="list-style-type: none"> •Development status of systems and environments that match diverse values and new work styles 	<p>For 2026</p> <ul style="list-style-type: none"> •Work engagement (*) 54 or higher <p>*Index <deviation value> based on stress checks and employee awareness surveys (SH,SB,PS,SRE,SLN)</p>
		<ul style="list-style-type: none"> •Promotion of engagement survey/analysis and associated D&I activities (SBL,SVL,PK)
	<ul style="list-style-type: none"> •Progress status of promotion of women's empowerment 	<p>For 2026</p> <ul style="list-style-type: none"> •At least 12% female executives and at least 12% female managers (SH,SB,PS,SRE,SLN)
		<p>For 2030</p> <ul style="list-style-type: none"> •At least 20% female executives and at least 20% female managers (SH,SB,PS,SRE,SLN)
	<ul style="list-style-type: none"> •Progress in fostering a challenging culture for future value creation 	<p>For 2026</p> <ul style="list-style-type: none"> •Integrated survey "Challenges for future value creation" (*) 3.0 or higher <p>*Sapporo Group's own survey index based on stress checks and employee awareness surveys <1.0 to 4.0 digitized> (SH,SB,PS,SRE,SLN)</p>
Investing in human capital for growth and productivity	<ul style="list-style-type: none"> •Progress status of human resource development through active investment (management human resources/global core human resources/DX・IT core human resources) 	<p>For 2026</p> <ul style="list-style-type: none"> •Sufficient personnel to provide successor candidates for management positions •100 persons of global core human resources •200 persons of DX・IT core human resources (SH,SB,PS,SRE,SLN)

	<ul style="list-style-type: none"> •Degree of improvement in productivity due to improved mental and physical health 	<p>For 2026</p> <ul style="list-style-type: none"> •Presenteeism loss rate (*) 33.4% or less <p>*An index based on stress checks and employee awareness surveys SH and the average of the four operating companies (SH,SB,PS,SRE,SLN)</p>
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*The following abbreviations are used for company names in Tables 2 through 4. Those without abbreviated company names are the same for all operating companies. SH: Sapporo Holdings, SB: Sapporo Breweries, PS: Pokka Sapporo Food & Beverage, SGF: Sapporo Group Foods, SRE: Sapporo Real Estate, SLN: Sapporo Lion, SBL: Sleeman Breweries, SVL: Sapporo Vietnam, PK: Pokka

Under the Sustainability Policy of "With the earth, in harmony with society, from the start, to bring smiles to people," Sapporo Holdings Ltd. is working to achieve its goals for new sustainability material issues, and is committed to "realizing a sustainable society" and the "sustainable growth of the Group."

(Note 1) URL of page with commitment to SBT initiative:

<https://sciencebasedtargets.org/companies-taking-action#anchor-link-test>

Sustainability Material Issues Targets and Indicators

* 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, SUSA: Sapporo USA, SVL: Sapporo Vietnam, YSM: Yasuma, FBS: Foremost Blue Seal, PK: Pokka, SSI: Shinsyu-ichi Miso

Classification	Most Important Issues	Material Issues	Specific Initiatives	Relevance to Each Business			Impact of Our Business on Society and the Environment		Social/Environmental Impact on Corporate Finances		Indicators	Targets Setting Companies	Target Year	Targets	SDGs goals		
				Alcoholic Beverages	Food Beverages	Real Estate	Risk	Opportunity	Risk	Opportunity							
Harmony with the Environment	Realization of a decarbonized society	Reducing CO2 emissions at company sites and supply chains	<ul style="list-style-type: none"> -Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources 	o	o	o	Large	Large	Large	Medium	-CO2 emissions reduction	Common to all operating companies	2050	-Scope 1, 2 Zero CO2 emissions	7.2 13.1 17.17		
				o	o	o	Large	Large	Large	Medium	SB,PS,SBL	2030	-Reduction of CO2 emissions at the Scope 1 and 2 SBT certification level (= 4.2%/year from the base year) * Commitment letter submitted to SBT initiative, accepted				
				o	o	o	Large	Medium	Large	Medium	SB	2030	-Reduction of CO2 emissions at the Scope 3 SBT certification level (= 2.5%/year from the base year) * Commitment letter submitted to SBT initiative, accepted				
				o	o	o	Large	Medium	Large	Medium	PS	2030	-Reduction of CO2 emissions at the Scope 3 SBT certification level (= 2.5%/year from the base year) * Commitment letter submitted to SBT initiative, accepted				
Harmony with the Environment	Realization of a recycling-based society	<ul style="list-style-type: none"> -Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources 	<ul style="list-style-type: none"> -Usage rate of recycled materials in PET bottle products 	o	o	o	Large	Medium	Large	Medium	-Usage rate of recycled materials in PET bottle products	SB	2030	-Domestic production of wine PET bottles: Recycled material usage rate 50%	12.3 12.4 12.5 14.1		
				o	o	o	Large	Medium	Large	Medium	PS	2030	-Domestic sales of PET products: Recycled material usage rate 50%				
				o	o	o	Large	Medium	Large	Medium	SB	2030	-Reduction of plastic used in advertisement products				
				o	o	o	Large	Medium	Large	Medium	SLN	2024	-Implementation rate of food recycling, etc.				
Harmony with the Environment	Realization of a recycling-based society	<ul style="list-style-type: none"> -Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources 	<ul style="list-style-type: none"> -Reduction of waste and food loss 	o	o	o	Large	Medium	Large	Medium	-Reduction of plastic used in advertisement products	SB	2030	-Single-use plastic advertising products derived from fossil fuels: abolished in principal domestically	12.3 12.4 12.5 14.1		
				o	o	o	Large	Medium	Large	Medium	SB,PS		-Waste recycling rates at production sites				
				o	o	o	Large	Medium	Large	Medium	SB,PS	2030	-Waste recycling rate of 100% at domestic production bases				
				o	o	o	Large	Medium	Large	Medium	SB,PS	2030	-Water usage reduction rate				
Harmony with the Environment	Realization of a recycling-based society	<ul style="list-style-type: none"> -Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources 	<ul style="list-style-type: none"> -Reduction of waste and food loss 	o	o	o	Large	Medium	Large	Medium	-Water usage reduction rate	SB,PS	2030	-Reduce water usage at domestic production bases by 10% (compared to 2013)	6.4		
				o	o	o	Medium	Small	Medium	Medium	SB	2030	-Progress in developing ingredients to respond to climate change	SB	2030	-Application for registration of domestic varieties of barley and hops with characteristics that can respond to climate change	13.1 15.4
				o	o	o	Medium	Large	Medium	Large	SRE		-Progress in sustainable urban development that contributes to improving area brand value	SRE		-Improving the value of properties and creating excitement -Community formation, strengthening, and expansion with stakeholders in the vicinity of properties -Creating facilities that are friendly to everyone	4.7 8.9 11.3 17.17
				o	o	o	Medium	Large	Medium	Large	SB		-Progress of our "regional revitalization business"	SB		-In order to create sustainable regions in cooperation with local governments, we will conduct matching between local food suppliers and companies at food business meetings	
o	o	o	Medium	Large	Medium	Large	PS		-Progress in building an environment for lemon production in Japan	PS		-Expansion of cultivated land not only in-house but also with partners -Taking over farmland without a successor -Implementation of initiatives to regenerate abandoned farmland					
o	o	o	Medium	Large	Medium	Large	PS,SGF	2030	-Number of regional learning programs (food education, on-site classes, factory tours, etc.) related to the food and beverage business	PS,SGF	2030	-Four times as many as FY2021 (140 cases)					
Co-prosperity with Society	Mutual prosperity with local communities	<ul style="list-style-type: none"> -Improvement of regional value -Resolution of local issues using company resources 	<ul style="list-style-type: none"> -Results of the value penetration survey of lemon foods and beverages in the market (Purchasing experience and frequency of use in the last 6 months) 	o	o	o	Small	Large	Small	Large	-Results of the value penetration survey of lemon foods and beverages in the market (Purchasing experience and frequency of use in the last 6 months)	PS	2030	-Doubling of the total demand for lemons by disseminating information on the health benefits of lemons and proposing applications and usage scenarios	2.1 3.4 11.3		
				o	o	o	Small	Large	Small	Large	PK		-Development status of products that contribute to customer health				
				o	o	o	Small	Large	Small	Large	SRE		-Status of acquisition of certifications for properties that contribute to the provision of health value				
				o	o	o	Small	Large	Small	Large	SRE		-Acquisition of certification for owned properties that contribute to the provision of health value				
Co-prosperity with Society	Providing health value	Provision of health value through business	<ul style="list-style-type: none"> -Development status of products that contribute to customer health 	o	o	o	Small	Large	Small	Large	-Development status of products that contribute to customer health	PK		-Continuous development of products that contribute to customer health	10.2 15.3 17.17		
				o	o	o	Small	Large	Small	Large	SRE		-Status of acquisition of certifications for properties that contribute to the provision of health value				
				o	o	o	Small	Large	Small	Large	SB,SBL,SUSA,SVL,PS,YSM,SGF(FBS,PK,SSI),SLN		-Implementation of measures to promote and disseminate the Basic Procurement Policy and Sustainable Procurement Guidelines				
				o	o	o	Small	Large	Small	Large	SB,PS		-100% compliance rate with the Sustainable Procurement Guidelines of major suppliers				
Co-prosperity with Society	Building a sustainable supply chain	<ul style="list-style-type: none"> -Respect for human rights in the supply chain -Reduction of environmental impact in the supply chain -Stable procurement 	<ul style="list-style-type: none"> -Establishment and implementation of a scheme (*) that can confirm respect for human rights in the supply chain (Priority implementation from major raw materials and high-risk raw materials) 	o	o	o	Large	Small	Large	Small	-Progress of human rights DD process	SB,SBL,SUSA,SVL,PS,YSM,SGF(FBS,PK,SSI),SLN		-Establishment and implementation of a scheme (*) that can confirm respect for human rights in the supply chain (Priority implementation from major raw materials and high-risk raw materials) ① Completion of a list of the supply chain for each raw material ② Confirmation of daily activities through questionnaires, etc. ③ Investigation of the situation, etc. as necessary ④ Confirmation of corrective actions as necessary	10.2 15.3 17.17		
				o	o	o	Large	Small	Large	Small	SB,PS	2025	-Confirmation that human rights are respected when procuring major raw materials and high-risk raw materials				
				o	o	o	Large	Small	Large	Small	SRE		-Understanding the actual situation regarding respect for human rights in the value chain in the real estate business				
				o	o	o	Large	Small	Large	Small	SRE		-Understanding the actual situation regarding respect for human rights in the value chain in the real estate business				
Activation of Human Resources and Potentials	Active participation of diverse human resources	<ul style="list-style-type: none"> -Promotion of Diversity & Inclusion (D&I) 	<ul style="list-style-type: none"> -Development status of systems and environments that match diverse values and new work styles 	o	o	o	Small	Medium	Large	Large	-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 *Index <deviation value> based on stress checks and employee awareness surveys	5.5 8.5		
				o	o	o	Small	Medium	Large	Large	SBL,SVL,PK		-Promotion of engagement survey/analysis and associated D&I activities (SBL, SVL, PK)				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-At least 12% female executives and at least 12% female managers				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2030	-At least 20% female executives and at least 20% female managers				
Activation of Human Resources and Potentials	Active participation of diverse human resources	<ul style="list-style-type: none"> -Promotion of Diversity & Inclusion (D&I) 	<ul style="list-style-type: none"> -Progress status of promotion of women's empowerment 	o	o	o	Small	Medium	Large	Large	-Progress status of promotion of women's empowerment	SH,SB,PS,SRE,SLN	2026	-Integrated survey "Challenges for future value creation" (*) 3.0 or higher	5.5 8.5		
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Sapporo Group's own survey index based on stress checks and employee awareness surveys <1.0 to 4.0 digitized>				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Progress status of human resource development through active investment (management human resources/global core human resources/DX/IT core human resources)				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Sufficient personnel to provide successor candidates for management positions -100 persons of global core human resources -200 persons of DX/IT core human resources				
Activation of Human Resources and Potentials	Active participation of diverse human resources	<ul style="list-style-type: none"> -Promotion of Diversity & Inclusion (D&I) 	<ul style="list-style-type: none"> -Degree of improvement in productivity due to improved mental and physical health 	o	o	o	Small	Medium	Large	Large	-Degree of improvement in productivity due to improved mental and physical health	SH,SB,PS,SRE,SLN	2026	-Presenteeism loss rate (*) 33.4% or less *An index based on stress checks and employee awareness surveys SH and the average of the four operating companies	5.5 8.5		
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Presenteeism loss rate (*) 33.4% or less *An index based on stress checks and employee awareness surveys SH and the average of the four operating companies				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Presenteeism loss rate (*) 33.4% or less *An index based on stress checks and employee awareness surveys SH and the average of the four operating companies				
				o	o	o	Small	Medium	Large	Large	SH,SB,PS,SRE,SLN	2026	-Presenteeism loss rate (*) 33.4% or less *An index based on stress checks and employee awareness surveys SH and the average of the four operating companies				
Promotion of Responsible Drinking	Awareness-raising of responsible drinking	<ul style="list-style-type: none"> -Progress in the labeling of pure alcohol content 	<ul style="list-style-type: none"> -Percentage of employees participating in awareness-raising activities related to responsible drinking through e-learning, etc. 	o	△	△	Medium	Medium	Medium	Medium	-Progress in the labeling of pure alcohol content	SB	2025	-100% display of pure alcohol content (g) per bottle on canned alcoholic beverages and lightly alcoholic beverage containers produced and sold domestically	3.5		
				o	△	△	Medium	Medium	Medium	Medium	SB,SLN	2023	-Education through e-learning, etc. for all domestic employees (more than once a year) 100% participation				
				o	△	△	Medium	Medium	Medium	Medium	SLN	2023	-Number of incidents of accidental ingestion of alcohol at restaurants				
				o	△	△	Medium	Medium	Medium	Medium	SLN	2023	-Display rate of messages to prevent drinking under the age of 20 on restaurant menus and at the POP				
Provision of Safe Products and Facilities	Food safety	<ul style="list-style-type: none"> -Operation and continuous improvement of the food safety assurance system -Number of serious food accidents 	<ul style="list-style-type: none"> -Operation and continuous improvement of the food safety assurance system -Number of serious food accidents 	o	o	o	Large	Medium	Large	Medium	-Operation and continuous improvement of the food safety assurance system -Number of serious food accidents	SB,SBL,SUSA,SVL,PS,SGF(FBS,PK,SSI),SLN		-Reflect the voices of customers and other stakeholders (including inside the company) in the food safety assurance system. -Reduction of the occurrence of serious food accidents	2.1		
				o	o	o	Large	Medium	Large	Medium	SRE		-Status of initiatives for promoting facility safety	SRE		-Securing appropriate emergency power sources for properties -Reliably secure seismic performance of properties -Periodical review of contingency plans and execution of drills	11.3