

Sustainability Material Issues: Progress and Achievements (as of August 2023)

* 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, SUSASA: Sapporo USA, SVL: Sapporo Vietnam, YSM: Yasuma, FBS: Foremost Blue Seal, PK: Pokka, SSI: Shinyurichi Miso

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

Classification	Most Important Issues	Material Issues	Specific Initiatives	Indicators	Targets Setting Companies	Target Year	Targets	Progress and results by the first half of 2023						
Harmony with the Environment	•	Realization of a decarbonized society	Reduction greenhouse gas emissions at company sites and supply chains	Greenhouse gas emissions reduction	Sapporo Group	2030	*Scope 1 and 2: Reduction of greenhouse gas emissions by 42% compared to 2022 levels *Scope 3: Reduction of greenhouse gas emissions by 25% compared to 2022 levels *FLAG Scope 1, 2, and 3: Reduction of greenhouse gas emissions by 31% compared to 2022 levels	[FY2022 result] 189,300 tons						
					Sapporo Group (SB,SBL,PS)			[FY2022 result] 1,082,600 tons						
		Realization of a recycling-based society	-Realization of containers and packaging compatible with a recycling-oriented society -Reduction and recycling of plastic resources Reduction of waste and food loss Conservation of water resources	-Usage rate of recycled materials in PET bottle products -Reduction of plastic used in advertisement products -Implementation rate of food recycling, etc. -Waste recycling rates at production sites Water usage reduction rate Water risk management	SB PS SB SLN SB,PS SB,PS SB,SBL,SUSA,SVL,PS,PK,YS M,SSI	2030 2030 2030 2024 2030 2030	-Recycled material usage rate for wine PET bottles manufactured in Japan: 50% -Recycled material usage rate for PET products sold in Japan: 50% -Advertisement products made of single-use plastic derived from fossil fuels: to be domestically abolished in principle -Implementation rate of food recycling, etc.: 50% -Waste recycling rate of 100% at domestic production sites -Reduction of water usage at domestic production sites by 10% (compared to 2013) -Conduct a water risk assessment for all production sites and facilities at least once every three years -Efficient use of water	[FY2022 result] Usage rate of recycled materials 48.2%						
								[FY2022 result] Usage rate of recycled materials 4.0%						
								[FY2022 result] 83.7 tons *2020: 160.6 tons, 2021: 212.3 tons						
								[FY2022 (2022.4~2023.3) result] 48.4%						
								[FY2022 (2022.4~2023.3) result] 100%						
								[FY2022 result] SB+PS : ▲17%						
								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	SB	2030	-Application for registration of domestic varieties of barley and hops with characteristics that can respond to climate change	<ul style="list-style-type: none"> Barley Progress is being made on red mold resistance, ear germination resistance, and other environmentally adaptable maternal lines selection, etc. Presented on the new barley (N68-411) that confers ear germination resistance and shorten germination period at the international conference (ASBC). Hops Continuing trials to establish a simple root system evaluation method. Initiating the evaluation of downy mildew resistance.
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 Number of regional learning programs (food education, on-site classes, factory tours, etc.) related to the food and beverage business	SRE SB PS	2030	-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 -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 -Achieve a 75.0% or higher satisfaction rate among local governments, suppliers and buyers at food business meetings. <ul style="list-style-type: none"> Long-Term: <ul style="list-style-type: none"> Passing on the abundant land and blessings of lemon cultivation in Japan to future generations and the local community Short-Term: <ul style="list-style-type: none"> Add at least 2,000 square meters of farmland annually, the smallest unit of farmland Expand farmland not only within our company, but also in collaboration with partners Implement initiatives such as taking over uncultivated farmland without succession and revitalizing abandoned farmland 	<ul style="list-style-type: none"> Grand opening of Center Plaza in Yebisu Garden Place (November 2022) YGP Office Tower acquired CASBEE wellness office assessment certification with 5 rank Construction of the fourth parking lot is in progress. 						
								[FY2022 result] Received orders for a total of 5 projects. A total of 246 business negotiations and 42 contracts were concluded. Held food fairs at 62 restaurants. Satisfaction rate of local governments, suppliers, and buyers at business meetings: 93.4%						
								[FY2022 result] Newly leased farmland (2,000 m2) for growing 80 lemon trees from a person who is downsizing his managed farmland due to old age (starting in March 2022)						
								[FY2022 result] 131 programs (about 3.5 times compared to 2021)						
	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 increasing the overall demand for lemons through the dissemination of information on the health benefits of lemons and proposing applications and usage scenarios	[FY2022 result] 1. Annual purchase rate: 15.90% 2. Annual purchase quantity: 1.85 (per buyer)						
								PK	2030	Promote the development and market penetration of new products with a focus on health, aiming for a 10% sales composition ratio (limited to POKKA products)	[Result as of June 2023] -Ongoing development of health-focused products			
								SRE		-Acquisition of certification for owned properties that contribute to the provision of health value	-The Office Tower acquired the "S rank" CASBEE Wellness Office Evaluation Certification. (August 1, 1st property certified)			
								SB,SBL,SUSA,SVL,PS,PK,YS M,FBS, SSI,SLN	2030	-Implementation of measures to promote and disseminate the Basic Procurement Policy and Sustainable Procurement Guidelines -100% compliance rate with the Sustainable Procurement Guidelines of major suppliers	-Implemented measures to promote and disseminate "Basic Procurement Policy" and "Sustainability Procurement Guideline" to major suppliers, and expanding the number of targeted suppliers gradually.			
												[FY2022 result] 92%		
								SB,SBL,SUSA,SVL,PS,PK,YS M,FBS, SSI,SLN	2025	-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 Compilation 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	-In addition to SB and PS, SVL, SBL, and SLN have completed listing of primary suppliers. Other companies are in the process of listing their suppliers. -Sedex is being utilized as an efficient approach to ②.			
[FY2022 result] Continuing to examine the situation.														
SB,PS	2025	-Confirmation that human rights are respected when procuring major raw materials and high-risk raw materials	-Confirming initiatives of major suppliers through the Sustainability Procurement Questionnaire. -Confirmation is underway through the use of Sedex.											
SRE		-Understanding the actual situation regarding respect for human rights in the value chain in the real estate business												

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Success of Human Resources	●	Active participation of diverse human resources	Promotion of Diversity & Inclusion (D&I)	-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	[Results of 2023 survey] 54.0	
					SBL		-Percentage of employees who have completed D&I training: 100%	-Percentage of employees who have completed D&I training: 94%	
					SVL		-Percentage of employment leaders who have attended conscious inclusion training: 100%	-Percentage of employees who have participated in conscious inclusion training: 17%	
					PK		-D&I comprehension: 6.0points(*) * Indicators from the "Organizational Culture Survey" by SVL (out of 7 points). -Organizational Culture Survey: 6.00points(*) * Indicators from the "Organizational Culture Survey" by SVL (out of 7 points). -engagement (*) 80% * Indicators based on "Employee Survey" conducted by PK (76% benchmark)	-D&I comprehension score: Survey started in 2023 -Number of local employees in management: 2 -Number of local employees in management team: 1 -Organizational Culture Survey: 5.80 points [2022] 76%	
			SH,SB,PS,SRE,SLN	2026	-Progress status of promotion of women's empowerment	SH	2030	-At least 12% female executives and at least 12% female managers -At least 30% female executives -At least 20% female managers	[As of June 30, 2023] Ratio of executives: 8.1%, Ratio of managers: 5.7%
			SH,SB,PS,SRE,SLN	2026	-Progress in fostering a challenging culture for future value creation	SH,SB,PS,SRE,SLN	2026	-Integrated survey "Challenges for future value creation" (*) 3.0 or higher * Sapporo Group's own survey index based on stress checks and employee awareness surveys <1.0 to 4.0 digitized>.	[Results of 2023 survey] 2.7
			SH,SB,PS,SRE,SLN	2026	-Progress status of human resources development through active investment (management human resources/global core human resources/DX/IT core human resources)	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	-Held the management human resources development meetings at each operating company. -Global core human resources: More than 100 people are reserved at any given time. -DX/IT human resources: 150 persons
			SH,SB,PS,SRE,SLN	2026	-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	[Results of 2023 survey] Presenteeism: 33.8%
			Promoting Responsible Drinking	Awareness-raising of responsible drinking	-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	[Results as of June 2023] 93%
					-Percentage of employees participating in awareness-raising activities related to responsible drinking through e-learning, etc.	SB,SLN		-Education through e-learning, etc. for all domestic employees (more than once a year) 100% participation	[Results in the first half of 2023] SB: 99.7%
-Number of incidents of accidental ingestion of alcohol at restaurants	SLN				-0 cases	[Results in the first half of 2023] No accidental ingestion			
-Percentage of restaurant menus and POPs displaying messages to prevent under-20s from drinking alcohol	SLN				-100%	[Results as of June 2023] 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,FB S,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	[Results in the first half of 2023] No serious food accidents occurred, although one case of public notification occurred (PS: wrong address information on almond campaign sticker). -Continued implementation of food safety activities led to a decrease in the number of reported cases attributable to the company in the first half of the year (SSI: 48% decrease from the previous year). -<Improvements in response to customer feedback> -Changed the design of shrink-wrap packaging and improved warning labeling regarding the effects of direct sunlight on halfray packaged highly carbonated beverages (PS: from July 2023 production) -Labeled "kokumo" as having zero sugar and zero purine (SB).			
		-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	[Results for the first half of 2023] Continued to study measures to deal with stranded people who are temporarily unable to return home. Conducted earthquake disaster drills twice (May and July). Established a QA on initial response to earthquake disaster.			