

# 2022

PDF

## Suntory Group CSR Site



**SUNTORY**

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## Top Commitment

We are committed to building a sustainable society for future generations, filled with the brilliance of life.

**Takeshi Niinami**  
Representative Director, President & Chief Executive Officer  
Suntory Holdings Limited



Since our founding (more than 120 years ago), we have been driven by our corporate mission “To Create Harmony with People and Nature.” This means that, we strive to enrich peoples’ lives by providing customers with the highest quality products and services while working to achieve social diversity and balance with the environment.

For the future of humanity and earth, corporations must recognize our increasing responsibility to tackle social and environmental issues, including climate change, biodiversity loss and human rights, as a business imperative. At Suntory Group, we engage in sustainability initiatives as a corporate strategy and recently reorganized our Corporate Sustainability Division into a Sustainability Management Division to reflect the importance of accelerating our strategy and initiatives.

In 2019, the Suntory Group established a Sustainability Vision and committed to promote a sustainable business management strategy with seven key themes: Water, CO<sub>2</sub>, Raw Ingredients, Containers and Packaging, Health, Human Rights, and Enriching Life. Our business promise is “*Mizu To Ikiru*” (Living With Water) and as such, we understand our responsibility as a global leader to pioneer water sustainability initiatives and engage with other urgent issues, including the reduction of greenhouse gas emissions and implementation of plastic material solutions.

Water is our priority theme, as Suntory’s products intrinsically rely on blessing on nature. We have been pursuing water initiatives across the entire group companies based on our Sustainable Water Philosophy, which defines our stance on water and outlines our understanding of its important role for our business and the world. In addition to continuous efforts to reduce the amount of water used at our production sites, we also promote water resource cultivation and water sustainability activities based on water risk assessments. We champion conservation in Japan’s forests through our Natural Water Sanctuaries which promote rich biodiversity and improve the recharging of water resources - through this effort, we have replenished more than twice the amount of groundwater that is pumped into our domestic factories. Globally, we also collaborate with local communities to engage in water resource cultivation activities in order to realize our intention of becoming net water-positive at the majority of our factories around the world by 2030. Our *Mizuiku* Education Program for Nature and Water, which teaches the next generation about the importance of water, was developed first in Japan and then expanded to Vietnam, Thailand and Indonesia. We recently launched this education program in China in 2021 and in Spain during 2022.

Additionally, we aim for net zero greenhouse gas (GHG) emissions across the entire value chain by 2050. And by 2030, we aim to reduce GHG emissions from our direct operations by 50% and across our entire value chain by 30%. These goals are intended to help limit the global rise in temperature to 1.5°C. Inspired by Suntory’s Yatte Minahare spirit of ambition to dream big and take on challenges, we’ve undertaken bold and innovative measures such as switching our purchased electricity to renewable energy and promoting capital investments through the use of internal carbon pricing.

We also plan to achieve zero use of virgin petroleum-based materials by transitioning all the PET bottles used globally for Suntory products to recycled or plant-based materials by 2030. The Suntory Group has worked to promote and implement “bottle-to-bottle” horizontal recycling, a process where used plastic bottles are recycled to make new bottles. And last year, we succeeded in developing plastic bottles composed of 100% plant-based materials. While plastics continue to fulfill a useful function in containers and packaging, we seek to avoid negative environmental impacts and achieve a circular economy for plastics by developing innovative technologies and engaging with various stakeholders to resolve problems.

The Suntory Group is committed to keeping sustainability at the center of our business, listening to the voices of our customers and stakeholders and contributing to a sustainable work as we deliver the highest quality products and services. As a multifaceted beverage and liquor company that continues to grow globally, we will take on new challenges and pursue further innovation as part of our commitment to “building a sustainable society for future generations, filled with the brilliance of life.”

June 2022  
Takeshi Niinami  
Chief Executive Officer  
Suntory Holdings Limited

# Corporate Mission "To Create Harmony with People and Nature" — How Suntory should Take Actions on Biodiversity

Along with the climate change, loss of biodiversity is becoming increasingly important issue to the sustainability of the planet. The Suntory Group has been addressing biodiversity issues through Bird Conservation Activities and water resource cultivation in Natural Water Sanctuaries. However, we need to step up our efforts now more than ever. We therefore asked experts to give us their opinions from a wide range of perspectives on future policies, on how to proceed with initiatives, and on communication with the stakeholders.

- Date: Monday, March 14, 2022
- Location: Suntory World Headquarters (Tokyo, Japan)

## ■ Experts



Naoki Adachi, PhD  
CEO,  
Response Ability, Inc.



Keisuke Takegahara  
Executive Fellow, Research Institute  
of Capital Formation, Development  
Bank of Japan Inc.



Mikako Awano  
Founder, CEO, SusCon Japan

## ■ Suntory



Makiko Ono  
Managing Executive Officer,  
Division COO, Sustainability  
Management Division  
Suntory Holdings Limited



Masaaki Fujiwara  
Executive Officer, Deputy Division  
COO, Sustainability Management  
Division  
Suntory Holdings Limited



Shigeaki Kazama  
Executive Officer, Deputy Division  
COO, Sustainability Management  
Division  
Suntory Holdings Limited



Masao Itoko  
Managing Executive Officer,  
Division COO, Supply Chain  
Division  
Suntory Holdings Limited



Nobuyasu Kitamura  
Senior General Manager, Corporate  
Sustainability Department,  
Sustainability Management Division  
Suntory Holdings Limited



Kazushi Ishikawa  
Managing Executive Officer,  
Division COO, Corporate Strategy  
Division  
Suntory Beverage & Food Limited

### ■ Moderator

Hidenori Imazu  
Program Committee Member, Japan Forum of Business and Society

## For Effective Internal and External Communications, Present the Overall Structure of the Multi-layered Strategies

Moderator | Today, we would like to hear various opinions from experts in order to further promote activities and communications related to biodiversity. First of all, please give us your impressions of the Suntory Group’s biodiversity initiatives.

Adachi | The world is now moving toward a nature-positive world. Suntory’s corporate mission, “To Create Harmony with People and Nature,” represents a way of thinking that is wholly consistent with a nature-positive world. People cannot live without nature. The world has finally begun to move toward a society in which we aspire to enable nature and people to coexist. I think it is wonderful that Suntory formulated the Suntory Group’s Environmental Principles in 2015 which is aware of nature-positive world, and that it has proposed revisions in keeping with the times.

It is also excellent that Suntory is thoroughly committed to the “*Mizu To Ikiru* (living with water)” concept. Water is Suntory’s most critical resource. It is rather rare for a Japanese company to have such a global perspective, conducting water resource cultivation and next-generation environmental program, Suntory *Mizuiku* - Education Program for Nature and Water beyond Japan as well. I think that the peatland regeneration (efforts to protect whisky production in Scotland through peatland and water resource conservation) is also a highly laudable activity and hope it would be widely communicated. Furthermore, I would like to ask you to extend these considerations to other raw ingredients as well, not completing with just water.

Awano

It struck me very much to see how Suntory is analyzing biodiversity from such a multiple viewpoint given the long history of initiatives on environmental issues that Suntory has undertaken since its founding. It is so rare for a Japanese company to advance initiatives to this extent. Environmental issues, however, are complex and interconnected. When you launch a climate change strategy while also launching a biodiversity strategy, you encounter same issues respectively. There is a risk of losing sight of how to ensure such complex nexus when incorporating these elements into activities based on the strategy.

I think it will make things far easier to understand if you present an overall structure to show the position of each strategy and how they all interact and interconnect with each other, rather than just explaining by words. This will not only facilitate the understanding of external stakeholders but also enable employees to more easily grasp overall structure of your strategies. I strongly anticipate that you'll take further easy-to-understand way of communicating Suntory's comprehensive approach.

Takegahara

Whether a company is listed or unlisted, the current discussion in the world of finance is about the need to properly identify factors and make choices for the firm's long-term growth. In doing so, it is essential to look at various non-financial information as well, because this discernment is impossible only by looking at current financial performance. In determining what non-financial information to look at, materiality comes under active discussion. The idea is to measure those factors that affect the long-term growth of the company or the sustainability of its business model over the long term as material information. A company that can explain this axis will be able to depict itself as a company with ability to grow while solving social issues, so to speak. Therefore, such a firm is seen worthy of long-term investment.

Suntory has firmly positioned natural capital, climate change, and water among the materialities that are foundational to its business, in the same sense as compliance and corporate governance. I think this is Suntory's most distinctive and commendable characteristic.

This is a bit of a departure from biodiversity, but another theme is how to present human capital in the debate over the government's "new capitalism". Human capital is difficult to be explained quantitatively, and I think it ultimately depends on whether the practice of purpose-driven management is enabling purpose to permeate the workforce and increase employee engagement. The "Mizu To Ikiru" message is spoken by everyone as something that applies to them personally, even junior employees. Purpose resonates with employees, which fosters an eagerness to work toward its realization. I think this provides sufficient material for the formation of Suntory's intangible enterprise value, value as viewed from the perspective of human capital.

Adachi

Speaking of biodiversity, the most crucial perspective is whether the business can continue for 10 years, 20 years and beyond. The current world population is 7.7 to 7.8 billion. In 10 to 20 years, when the population reaches 9 or 10 billion, more food will be needed especially in emerging countries.

The market will grow by 25% to 30%, and in order to secure a stable supply of raw ingredients to support that growth, it will be critical to provide various supports for those who are producing raw ingredients upstream in the value chain. This will not be possible unless such local workers lead healthy and stable lives, working enthusiastically to produce the raw ingredients. To this end, it will not be possible to produce raw ingredients without shifting to an appropriate agricultural environment.

I think that for Suntory, maintaining the perspective of how to do business together with people involved in every step throughout the value chain will affect how they develop their business moving forward, and at the same time keep their business secure.



## Be Engaged in Building Trust and Relationship with the Value Chain Stakeholders

- Moderator** | At the Suntory Group, the entirety of the value chain is included within the scope of the Suntory Group's Environmental Principles because Suntory pledges to hand over a sustainable society abounding in vibrant life to the next generation. What kind of initiatives involving the value chain are you working on in your actual business?
- Fujiwara** | When we consider Suntory's history, quality is what has been given prime importance in manufacturing. Another crucial aspect has been traceability. Take oolong tea beverage, for example, which has grown significantly as a business over the decades. In bringing this product to market, we traced back to the origins of the oolong tea leaves value chain. At the time, pesticides posed a risk, and we decided that we needed to go back to the farms where the production was taking place to clear that up, so we have invested in this effort. Our focus at the time was on product quality. But now I have further understood the importance to have the perspective of creating a flow that will enable everyone involved in the value chain to lead an upstanding life.
- Itoko** | For coffee, we have been working in firm partnership with Brazilian farms for the past five to six years and have been promoting contract farming. We are also building schools in Guatemala to create educational opportunities and to teach sustainable cultivation methods. This is something we undertake because we believe it to be necessary, but expanding it is very difficult, and I have experienced a real sense of how difficult it is to continue doing this. Nevertheless, we are not going to sell off or cut out the operation related to this just from the profitability point of view. You cannot build trust with producers unless you engage with them for a long time.
- Adachi** | I think building trust is very important. I think it is important to build trust with the people in the production sites, and to find ways of increasing the number of farmers who feel sympathy and consider themselves to be producing for Suntory, or for Mr. Itoko.
- Fujiwara** | It takes a lot of determination to get into the entire value chain. Meanwhile, customers' tastes and preferences will also change over time. With coffee, for example, plantations may be changed to suit different tastes. How to build relationships with the value chain then poses a major challenge. This is true for all raw ingredients, but I feel that we must consider ways of building trust with these plantations and producing regions, keeping resolutely aware that they are indispensable to continuing our business to the future. We have formed a global cross-functional team that has begun its work, and would like to further deepen our deliberations of these matters.
- Itoko** | In the future, I think debates will emerge regarding things like drastic increases in production of genetically modified organisms (GMOs) to cope with the increase in the world's population. What is the global situation on this issue?
- Awano** | Japanese consumers have high allergic reactions to GMOs, but globally they are widely adopted in reality. Given the strategies for sustainability, GMOs should or could not be avoided as a taboo in the future in your consideration. Our priority issues will be how to increase yields without new land conversion to agriculture, and how to maintain yields despite the impact of climate change.



**Adachi** | It is very controversial and the thoughts diverge by region. I believe we should be as safety-minded as possible, and avoid being too quick to latch onto GMOs alone. Still, the current intensive agriculture in the arid environments of Europe and North America is apparently at its limit. The use of large amounts of pesticides and chemical fertilizers is also deteriorating the soil, making farming almost impossible. Organic and regenerative agricultures are intended to help maintain or even recover productivity by regenerating this soil. While I am not sure whether this will provide a panacea, I think a need for it is emerging in the field.

**Ono** | In Europe, organics are familiar to consumers. I think the consumer's perspective is that they buy organic items on the assumption that there is some health benefit, even if they are more or less expensive. From the standpoint of biodiversity, this kind of consumer behavior is connected to sustainable agriculture, although consumers are not made aware of this. One challenge is how to communicate to consumers that what they understand to be good for their health is also good for biodiversity.

**Adachi** | With respect to the future increase in the world's population to 1.2 times its current size, will Suntory increase its sales by 1.2 times, or even more? Or, will it take an approach by which it can be sustained without expanding the scale of business, keeping it at a level that can be reliably maintained? As there might be various strategies and options, I think we need to give this thorough consideration.

**Takegahara** | If you think of a bottleneck in the procurement of raw ingredients in terms of business continuity plan, a so-called "BCP," you would normally adopt an alternative strategy or diversification strategy to eliminate that bottleneck. Now, however, due to population growth and other factors, raw material supply has become a bottleneck on a global scale, and it is necessary to address issues for which alternative strategies are not effective. When this happens, we have no choice but to move on to the product portfolio. I think we are being asked a message about a business model that adopts the new constraints.



## Look into the Nature Related Opportunities as well as Risks for Increasing the Enterprise Value

Moderator | What kind of discussions are going on in Japan and abroad regarding biodiversity initiatives?

**Takegahara** | The International Sustainability Standards Board (ISSB) has issued a draft disclosure standard that can be considered a sustainability information version of the International Accounting Standards. In the draft, materiality is limited to financial materiality, that is, information that affects enterprise value. Since various issues affect each other and affect enterprise value in a comprehensive manner, there is concern that simply arranging topics such as climate change and biodiversity as material issues will make it difficult to convey that point.

In addition, with the spread of the Task Force on Climate-related Financial Disclosures (TCFD), many companies have already set out climate change as a "material issue" that affects their growth. Financial interest is heading towards the materiality that follows. Natural capital is a prospective candidate along with the circular economy, but the current situation is that it is difficult to link natural capital to growth strategies.

- Ishikawa** | I myself belong to Suntory Beverage & Food Ltd., the only listed company in the group, and I believe that the mission of a listed company comes down to how to raise its enterprise value. In this context, the shift from financial to non-financial information has moved forward with the Taskforce on Climate-related Financial Disclosures (TCFD) framework leading the way in the immediate future, and movement occurring toward the Taskforce on Nature-related Financial Disclosures (TNFD). Since it is impossible to ensure accountability to all stakeholders with a single materiality, we must proceed with combinations of double materiality and even dynamic materiality. I feel that converting this into practical operations poses a difficult issue.
- Awano** | From the standpoint of enterprise value, I think showing how biodiversity strategy is relevant to the increase of enterprise value will be a major pillar in the future. However, when we look at the biodiversity strategies of many companies, we see a tendency to emphasize risk side, and a weaker focus on opportunity side. Narrative of opportunities are required for increasing enterprise values.
- Ishikawa** | From the perspective of improving enterprise value, it's necessary to reveal opportunity as well as risk. I would like for us to think carefully about how to express our opportunity.
- Awano** | With respect to water, on the other hand, when we take a multi-stakeholder approach globally, the relationship with local communities is naturally indispensable. I believe that a major feature of future operations will be looking at how biodiversity strategies, including such relationships, can lead to improved enterprise value on a global basis. It will then be important to be mindful of the fact that local issues cannot be globalized so easily. This is a characteristic of natural capital that makes it different from climate change. In doing so, I think that multi-stakeholder engagement that incorporates and reflects the opinions of local communities will be necessary. Otherwise, the activity will simply end up as self-righteous social philanthropy by the company.
- Kazama** | As for expanding water resource cultivation globally, of which there are examples of success in Japan, I have some experience working overseas, and understand the difficulties on the practical level. Nevertheless, we must proceed. The year before last, we began a pilot program in high water risk regions overseas. There are aspects that have gradually become evident to us through these efforts.  
Specifically, we have found a university professor in Indonesia who is knowledgeable about water, and we are proceeding with the project by incorporating local know-how learned from the professor. In Spain, our operations use city water because, unlike Japan and Indonesia, this is an arid region where there are no wells at production plants. We are borrowing from local wisdom of how to cultivate water resources in such an environment. Rather than simple water resource conservation, we are proceeding with the project in the context of how to communicate with the local community and how to preserve the city water of the local municipality.
- Kitamura** | The Suntory Group is working on sorting out issues concerning primary suppliers comprehensively by utilizing the Supplier Ethical Data Exchange (Sedex), an international platform for supply chain issues. We are aware, however, that ultimately we have to go to the farmers. However, even for a single coffee, for example, the themes are so multilayered and intertwined that we feel difficulty in trying to figure out how we should bring things to a resolution of the problem. What kind of aspects should we consider when actually proceeding with the project?
- Awano** | I think it is very difficult even for companies that are making progress with their initiatives. With regard to biodiversity, financial institutions and business firms were perplexed to find a way to start in the first place. There is a common perception that it's so complicated that they don't know where to start. So, in TNFD, it started from showing where to set to work. It has a practical guide, which I think makes it easier to get a handle on it and structurize concepts. I hope you will give it a try.

Adachi

One reason for the difficulty in understanding biodiversity is its complexity, but I think another reason is probably the lack of our experience to see the fields. Locality is critical for issues of biodiversity or raw ingredients. Although not so much as in the case of wine, it often happens that circumstances differ greatly with just a few kilometers of separation. Therefore, the first necessary task is to connect local sites involved. In Japan, this has been done by trading companies. But in the future, manufacturers themselves need to go and see the places where the raw ingredients they use come from. However, some issues can be discerned only by experts. This is the reason why some companies make site visits with local agricultural advisors or NGO staff, or train perceptive observers within the company or even hire people with such expertise.

In addition to going into the field by yourself, I also would like to propose to consider having people working in the field come to visit Suntory in the future. Because I believe it is important to create a system that allows for a bottom-up creative approach from the field as people learn more about Suntory's initiatives and gain a deeper understanding. This is about developing a system in which everyone can support each other with an optimal sense of unity with Suntory throughout the entire value chain, making it possible to work successfully together. This is no easy task, but looking at the efforts of global companies, I believe that over a period of time, say 10 years, considerable progress can be made.

Kitamura

We have to work as a team both inside and outside the company to solve the multi-layered challenges of biodiversity. Internally, I would like to deepen the discussion, including questions of what perspective to take and by when to implement the plan, as we draw on wisdom from various angles by involving the business divisions.



## Envision What Suntory Aims to Be in 50 Years

Moderator

We've received a wide range of advice from the experts. To conclude, could you please give us your message of support for Suntory?

Takegahara

The discussion has touched on biodiversity being complex and difficult to understand, but in fact, looking at Suntory from the outside, I think Suntory may show that it is not actually difficult to grasp issues in an integrated manner and to link them to its efforts.

Also, I am very eager to see your future product portfolio. I understand your attitude not to sell your business easily just because you are facing challenges. The portfolio selected in the management stance will probably be something unique to Suntory. I think that will probably lead to opportunities.

Awano

I noted that efforts to improve enterprise value tend to emphasize risk over opportunity. However, the reality is that a global awareness of risk and a sense of urgency are extremely strong. Many companies are just now getting started, and finally recognizing what difficulties biodiversity poses. Among them, Suntory is set on the starting line, ready and waiting for the signal to begin. That is your strength, and we hope that you will get off to a good start by taking advantage of everything that you have built up.

## Adachi

In the approach to biodiversity recovery, efforts are to be taken in a particular order. First comes risk avoidance, then risk mitigation. Thus far, Japanese companies have managed to accomplish these. Beyond that, however, there has been little movement on restoration and regeneration. What will be important in the future is restoration and regeneration. Suntory is already moving forward with work on restoration and regeneration of water and peatlands. What I would like you to consider further is the change, the transformation, that lies beyond restoration and regeneration.

There are many kinds of transformation, and one of these is transforming the way business is conducted. That is, I think there will be a transformation from buying raw ingredients from trading companies to going into the fields yourselves, looking the fields over closely, or even doing the work together. Another is to think transformation of the business model itself. I believe that all industries now seem to be shifting away from the era of mass production and mass sales. I think there might be another way of doing things at Suntory as well.

When it comes to the culture on which Suntory places great value, food culture differs from region to region, and that is where value lies. Considering this, I believe it might be good to place more emphasis on local cultures of food and beverages. I assume and hope that such products will become a big pillar of the company in the future.

## Ono

We have received many comments and suggestions on biodiversity, and now I would like to share three points by way of summary.

The first point is to view raw ingredients throughout the entire value chain. We have already started working on it, but we are just getting started. In terms of how to take concrete actions in the future, we need to think about how we can build win-win relationships by going into the field and partnering with local people in a more accessible way. By doing so, we will deepen our understanding, and local suppliers will also improve their level of quality. I felt that such activities should then be linked to the improvement of human capital skills to have a positive impact within the company.

The second point is about enterprise value. Our consideration started from considering how to avoid risk, but taking a step further, how to take Suntory's enterprise value into the positive is also important. We tend to think from the perspective of risk, but we need to consider how we can shift to an opportunity-oriented perspective.

The third point is what kind of business Suntory will be doing 30, 40, or 50 years from now. It is obvious that we cannot make progress along a linear extension from the present. So I felt that we need to use our imaginations while working on the tasks immediately before us, thinking about how we want things to be and what is necessary to achieve that. It is a difficult perspective to get a handle on, but I intend for us to work on it as part of our mission. Thank you very much for your time today.



# Suntory's Sustainable Management

## Contributing to the realization of creating harmony with people and nature through giving back to society

We aim "To Create Harmony with People and Nature" for society.

The mission of the Suntory Group is to contribute to building society sustainable over the long term by working toward relationships in which both parties benefit without sacrificing the prosperous life culture of people or preservation of the natural environment.

The Suntory Group is pouring its strength into **a wide range of social contribution activities.**

The foundation for our philosophy to value these social contribution activities is rooted in the "Giving Back to Society" spirit actively passed down since our founding. Founder Shinjiro Torii was almost religious in advocating this management philosophy. His words taught us not only to reinvest in our businesses from our earnings but also ensure this revenue contributes to providing services to clients and business partners as well as to society.

As found in the basis of the "good for everyone" philosophy held by Omi merchants to conduct business good for the seller, the buyer, and for the people, Shinjiro Torii also always **wanted to contribute to society.**



## What only "Mizu To Ikiru" Suntory can do

This founding spirit has been passed down without fail to today. It is alive in our arts and culture initiatives represented by Suntory Museum of Art and Suntory Hall as well as in support to the Social Welfare Organization Hojukai and other social contribution activities.

As part of these efforts, we are especially active in water sustainability incorporated into our environmental activities conducted under Suntory Follow Your Nature.

Water is the most important management resource for the Suntory Group as well as a **vital resource shared by everyone** around the world.

That is why we are grateful for the bounty nature has given us as a source for our products. To ensure a **healthy natural ecosystem** giving us these blessings from nature, we will always endeavor in a variety of initiatives, including the Natural Water Sanctuary projects, Suntory *Mizuiku* - Natural Water Education Program and our bird conservation activities.

As a "Mizu To Ikiru" company, **we will aim to stand as a corporate group** which protects the forests that cultivate water and **quenches the needs of society** as water quenches the thirst of all living things.

Our hope to realize a society sustainable over the long term is the same as the passion shown by our founder.



# Suntory Group Philosophy

“Mizu To Ikiru” is our corporate brand promise. It is not just a tagline, but an open door, welcoming employees, consumers, and external stakeholders to understand who we are and what we believe in. We strive to preserve the environment that nurtures and protects precious water vital to the earth while continuing to challenge ourselves for the creation of new value as a company that enriches society.

Suntory Group's Promise

## Mizu To Ikiru

Suntory Group's Philosophy



### Our Mission

#### To Create Harmony with People and Nature

Our mission is the fundamental reason for Suntory to exist, and it guides and inspires our organization. We will focus on the needs of our customers. We deeply respect nature and will strive to protect the environment. By forging greater bonds of appreciation between people and the world around them, we will seek to promote richer, more fulfilling lives. This is the mission of the Suntory Group.

### Our Vision

#### Growing for Good

Our Vision describes what Suntory wants to achieve. It applies both to the company as a whole, and to each individual within the company. The bigger we are, the greater our positive impact can be. We will grow to become a company that always benefits its community. By doing good things for society and the environment, we will help make a better, brighter future. This is the vision of the Suntory Group. Each and every employee must never forget the passion and desire to persevere in their work to continue to grow as individuals who earn trust through sincerity, which is the “Good” in Growing for Good.

**Our Values reflect our organization's culture.**

### **"Yatte Minahare"**

It is forever fundamental to Suntory and expressed in the two statements: We earnestly accept challenges. United by our drive to succeed, we move together to create markets and provide new value. From the start, Suntory has been a pioneer. Today we look forward boldly and confidently. Those passions lead to the creation of new markets and also allowed us to offer new values. "Yatte Minahare" is the value that shall be the driving force of our business operations.

### **Suntory Group Way**

It sets out the standards of behavior expected of Suntory employees practicing in their daily activities, to make Suntory Group a company which is selected and loved by customers through the provision of unique values.

### **Suntory Group Code of Business Ethics**

It sets forth the basic ethical principles to be followed by Suntory Group to fulfill social responsibilities and gain trust of society.

# **Mizu To Ikiru**

"Mizu To Ikiru" is the Suntory Group's promise to our stakeholders.

### **Renew the world like water**

As a company that delivers the blessings of water and nature to our customers, we will protect and pass on the natural environment to the next generation.

### **Satisfy people like water**

Just as water quenches the thirst of all living things, so will we enrich lives by delivering products, services and social activities of value to customers and society.

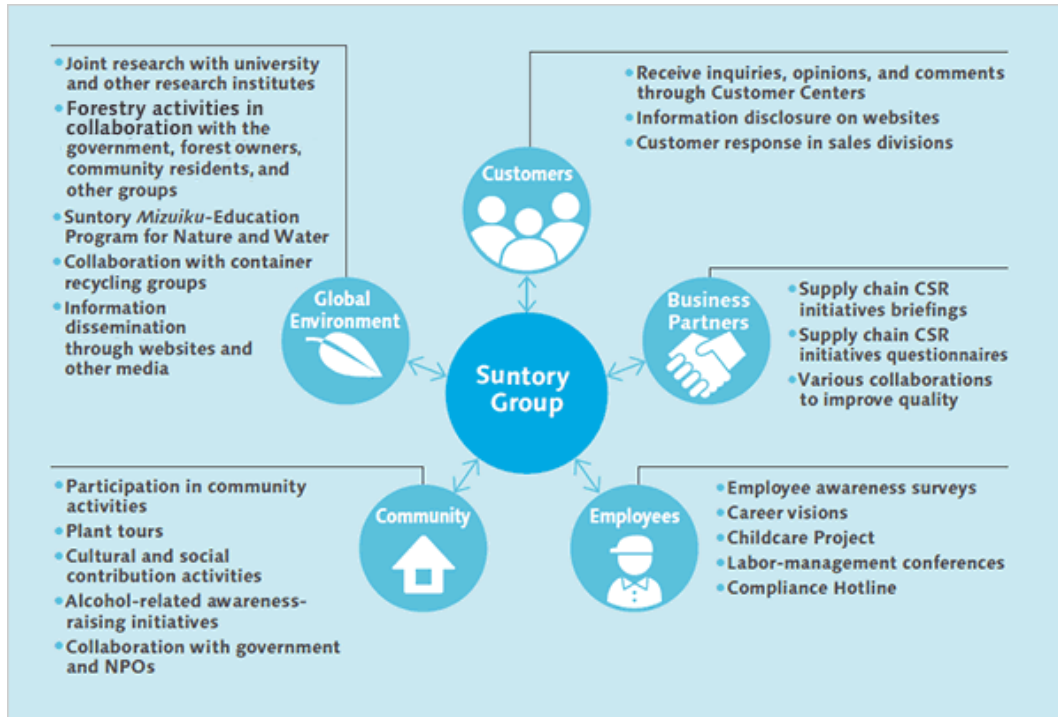
### **Move freely like water**

We will continue to be a company where all employees take up the challenge to create new value, moving freely and changing and adapting like water.

We will make continuous efforts in our daily activities to fulfill these three promises.

## Relations with Stakeholders

The Suntory Group pursues its business activities amid a range of connections with a variety of stakeholders. To continue being a company that contributes to the realization of a sustainable society, we will make clear our responsibilities to our stakeholders and communicate with them in various ways. We aim to incorporate feedback we receive and social needs into our corporate activities and continuously work to build deeply trusting and collaborative relationships with them.



Opportunities for Communication with Stakeholders

## Four Sustainability Initiatives

In order to more fully realize social responsibility in a way unique to the Suntory Group with philosophy of Sustainability as a foundation, we are promoting activities based on ISO26000 since 2011. We grasped the current situation and shared identified issues, and engaged our stakeholders based on each of the seven priority initiatives.

The expectations and the level of interest of stakeholders is high in regards to global social issues and business challenges based on these results. We have also gathered our efforts into four initiatives by organizing challenges to realize our To Create Harmony with People and Nature corporate philosophy after we have identified challenges with an especially high-priority for the Suntory Group. At the Suntory Group, we continue to innovate and endeavor to be a Growing for Good company that is realizing a sustainable society as we expand globally while fulfilling our social responsibility by engaging in activities based on our corporate philosophy.

### ■(1) To Create Harmony with Customers and Partners: Products and Services

#### To deliver joy to the customers with the highest-quality of products and services

Suntory Group incorporates opinion of its customers in wide range of corporate activities while maintaining and improving quality throughout the entire value chain based on the Suntory Quality Policy of “All for the Quality”. We also actively engage in CSR procurement while tackling alcohol-related problems.

### ■(2) To Create Harmony with Nature: Environment

#### To preserve limited water and resources for future generation

We have established “Suntory Environmental Vision toward 2050” to pass down sustainable and rich natural environment to the next generation and will promote environmental management as a Group through two axes of “Preserving and Regenerating the Natural Environment” and “Reducing Environmental Impact”.



### ■(3) To Create Harmony with Society: Cultural and Social Contribution

#### To build a bright future with initiatives rooted in the region

Based on the founding spirit of “Sharing the Profit with Society”, we engage in wide range of cultural and social contribution activities that best suit the time, centered in the fields of arts and culture, sports and social welfare such as developing the next generation, supporting disaster affected areas and contributing to local communities.

### ■(4) To Create Harmony with Employees: Diversity Management

#### To nurture employees with bigger global dreams

Suntory Group aims for human resource development rising to the challenge to create new values with diversity management as its basic policy and to create a working environment filled with creativity where all employees can exert their full potential.

## Joining the United Nations Global Compact

The Suntory Group supports international standards such as the Universal Declaration of Human Rights as well as the United Nations Guiding Principles on Business and Human Rights, and it has signed the United Nations Global Compact (10 Principles below), which contain universal principles for human rights, labor, and the environment advocated by the United Nations.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

4. the elimination of all forms of forced and compulsory labour;

5. the effective abolition of child labour; and

6. the elimination of discrimination in respect of employment and occupation.

7. Businesses should support a precautionary approach to environmental challenges;

8. undertake initiatives to promote greater environmental responsibility; and

9. encourage the development and diffusion of environmentally friendly technologies.

10. Businesses should work against corruption in all its forms, including extortion and bribery.



In 2017, we participated in the Human Rights Due Diligence Working Group of the Global Compact Network Japan and advanced our knowledge about the international trends of labor practices. We believe complying to international laws and fulfilling our social responsibility is the mission of the Suntory Group in the promotion of sustainable business globally now and into the future.

## Endorsing The CEO Water Mandate

The Suntory Group endorsed The CEO Water Mandate global platform to address water resource issues, which is a United Nations Global Compact initiative to support the prevalence, practice and informational disclosure of water sustainable at companies.



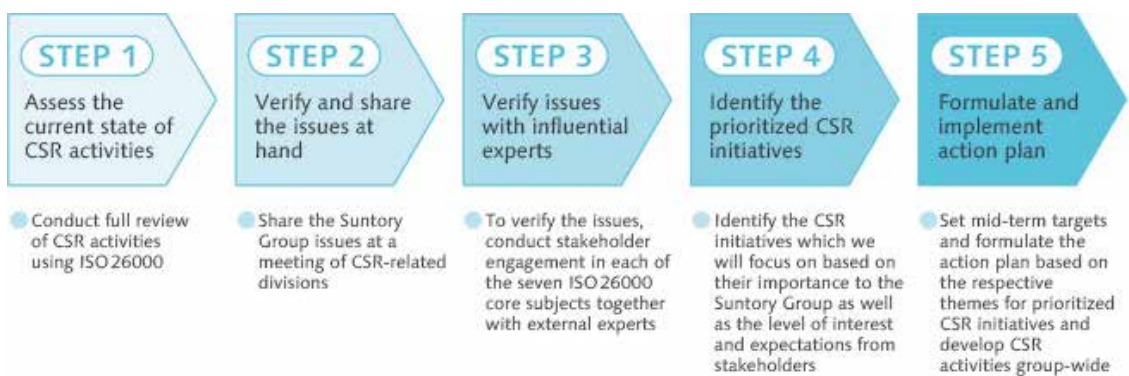
## The CEO Water Mandate

# Enhancing CSR Activities using ISO26000

In order to more fully realize social responsibility in a way unique to the Suntory Group with philosophy of CSR as a foundation, we are promoting CSR activities based on ISO26000 since 2011. We grasped the current situation and shared identified issues, and engaged our stakeholders based on each of the seven priority initiatives.

The expectations and the level of interest of stakeholders is high in regards to global social issues and business challenges based on these results. In addition, we are promoting company-wide activities based on the action plans that are formulated for high-priority items stipulated by the Suntory Group in 2013 as CSR priority initiatives in particular that should be addressed.

## Process of CSR Activity Promotion



## Understanding the Current State of CSR Activities

### ■ General CSR Committee

We gathered around 40 representatives from main departments\* related to CSR with the CSR Department of Suntory Holdings Ltd. at the core to confirm and share the process of stakeholder engagement for the future while more deeply understanding ISO26000.

\* CSR Department, Quality Strategy Planning Division, General Affairs Department, Legal Department, Compliance Department, Human Resource Department, Environmental Sustainability Strategy Department of Suntory Holdings Ltd. as well as the Supply Chain Management Division and the Customer Relations Division of Suntory Business Expert Ltd.



General CSR Committee

### ■ Introducing inventory of CSR activities that use ISO26000 self-check sheets

We extracted challenges of the Suntory Group by assessing the status of response using self-check sheets of relevant departments for the roughly 250 items in the expectations and actions set for each core subject of the ISO26000.



ISO26000 self-check sheet

## Sharing Experience of Challenges at the Suntory Group

### ■ Debating Priority Challenges with Relevant Departments for Each Core Subject

We gathered together the departments related to each of the seven core subjects\* and debated the priority challenges that should be preferentially addressed by the Suntory Group.

\* Two themes were debated at the same time due to the mutually high relevance of human rights and labor practices.



Human rights and labor practice themed debate

## Confirming Key Figures and Priority Issues

### ■ External Key Figures and 1st Opinion Exchange for Each Core Subject

We have introduced and confirmed external key figures and an exchange of opinions from March to April 2012 for the priority initiatives of each core subject debated internally.

We are facilitating an even higher level of interaction by holding an ongoing exchange of opinions.

## Identification of Priority Initiatives

We identified six CSR priority initiatives to address preferentially based on the expectations and interests of stakeholders and the importance to the Suntory Group.

### Six Prioritized CSR Initiatives

- We provide products and services that contribute to the safety, reliability, and healthy lifestyles of our customers first and foremost.
- We coexist with Nature by committing to “Water Sustainability” and reducing environmental impact.
- Based on the spirit of “Sharing the Profit with Society,” we contribute to the enrichment of culture and lifestyles, as well as strengthening support for next generation.
- We celebrate diversity while promoting the career development of our employees who are all united by the “*Yatte Minahare*-Go for it!” spirit.
- We promote CSR throughout our entire supply chain, working with our business partners.
- We commit to responsible marketing and reducing harmful drinking as a leading alcoholic beverage company.

**■(1) We provide products and services that contribute to the safety, reliability, and healthy lifestyles of our customers first and foremost.**

Amid accelerating globalization and expansion of business domains at the Suntory Group, our responsibility to provide the highest quality of healthy, safe and reliable products and services is taking on more weight than ever.

Under the Suntory Group Quality Policy, “All for the Quality,” we have established the Suntory Group Quality Assurance Code. Through this code, we have engaged in the maintenance and improvement of quality in all processes, from development and planning of products and services, to procurement of water, crops, packaging materials, and other rawmaterials, and on to manufacturing, distribution, and sales and servicing.

In addition, paying heed to quality assurance from the customer’s perspective, we are actively engaging in Voice of Customer (VOC) activities that incorporate customer feedback into management policies, with “Improving food and beverage quality at the point of consumption” as our motto.

The Suntory Group will continue to deliver new enthusiasm and delight to our customers by providing high-quality products and services, based on our dialogs with customers around the world.

**■(2) We coexist with Nature by committing to "Water Sustainability" and reducing environmental impact.**

Suntory Group business is supported by precious global resources such as water and agricultural products. Suntory Group business is supported by precious global resources such as water and agricultural products. It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with the Group philosophy — To Create Harmony with People and Nature — so that we may pass down a rich global environment to future generations. With a priority on engaging in water sustainability through business activities, Suntory has promoted the conservation of forests, where water resources are cultivated, and the return of water to the natural environment after thorough purification.

Suntory has also continued a wide range of activities to reduce environmental impact. Such activities include energy and water saving at production facilities, lightening package weight, and implementation of vending machines with lower power consumption.

In order to provide a clear direction for the Group’s environmental management, Suntory established Suntory Environmental Vision toward 2050 and set Target toward 2020 in 2014. Suntory Group continues promoting environmental management based on two axes: preserving and regenerating the natural environment and reducing environmental impact.

**■(3) Based on the spirit of “Giving back to society,” we contribute to the enrichment of culture and lifestyles, as well as strengthening support for next generation.**

We are passing down the “Sharing the Profit” spirit of Suntory Founder Shinjiro Torii generation to generation because the Suntory Group believes business profits should not only be used for reinvestment into the business and providing services to clients and business partners but also for making a contribution to society.

We have been engaging in a wide range of cultural and social contribution activities while considering the social issues of the times since the founding of Suntory from community contribution such as social welfare, education and disaster relief to promotion of arts, academia and local culture as well as support for sports and the development of the next generation.

Close cooperation with stakeholders throughout the world, customers, business partners, and employees alike, has become increasingly important for sustained growth in the global expansion of business. The Suntory Group will further activities suitable to the situation in each country and region and contribute to the prosperous growth of lifestyle cultures and the next generation by deepening cooperation with Group companies worldwide and emphasizing arts, culture and sports, development of the next generation as well as social welfare.

**■(4) We celebrate diversity while promoting the career development of our employees who are all united by the “Yatte Minahare” spirit.**

Based on the “Yatte Minahare” challenge spirit, the Suntory Group has accelerated expansion both domestically in Japan and globally from alcohol and non-alcoholic beverages to business areas including health foods, food services and flowers. The pursuit of diversity forms the basis for the Suntory Group human resources management philosophy. By promoting diversity in our employee base as well as the acceptance of diverse values and ideas, we can bring forth even greater value.

In an effort to maximize the potential of each and every employee in a work environment that overflows with creativity, the Suntory Group is currently putting high priority on developing talented employees who face the challenges of value creation head-on.

Regular communication between supervisors and employees helps to clarify individual roles, facilitates the setting of targets for achievement and supports the development of each employee.

We have also established methods to encourage employees to work hard to achieve ever higher goals without the fear of failure.

**■(5) We promote CSR throughout our entire supply chain, working with our business partners.**

To stably deliver high-quality products and services to customers, it is essential to have good cooperative relationships with business partners. In addition, social requirements regarding compliance, human rights, and the environment have increased throughout the world. For these reasons, CSR activities are necessary for Group companies as well as supply chains.

Suntory Group also views equitable and fair transactions with business partners extremely important in the realization of sustainable society through business activities, and strives to ensure social responsibility throughout supply chains. In order to fulfill such responsibility, we established the Suntory Group’s Basic Policy on Supply Chain CSR, which includes six core items; legal compliance, human rights and labor standards, quality, environment, information security, and coexisting with society.

**■(6) We commit to responsible marketing and reducing harmful drinking as a leading alcoholic beverage company.**

Alcohol production throughout the world is rooted in the climate and culture of each region. Alcohol has been a source of pleasure in daily life, and has played a significant role in celebrations over the centuries.

However, alcohol is also associated with misuse and abuse, including underage drinking, driving while intoxicated, and alcoholism. As a multi-faceted food and beverage producer and supplier, Suntory Group embraces its responsibility to address these issues.

Suntory Group has established Basic Principles regarding responsible drinking, and works to increase awareness about responsible drinking among the public. We conduct in-house checks on sales and advertising activities, and participate in, cooperate with, and support research institutions. We also participate in a wide range of activities regarding responsible drinking inside and outside Japan in cooperation with industries and the World Health Organization.

## **Formulation and Execution of CSR Action Plans**

We formulated midterm goals and action plans based on each theme of the six prioritized CSR initiatives, and we are promoting activities throughout the entire Group.

# Editorial Policy on Sustainability Information

The Suntory Group is communicating its Sustainability initiatives in various forms through booklet, website, etc.

## Suntory Group's Sustainability Website 2022

This website provides comprehensive information about important activities to realize our “In Harmony with People and Nature” mission and unique Suntory initiatives.

Information such as sustainability-related data, unique Group company initiatives and dialogue with society are available. Please browse through the information based on your needs.

### ■ Scope of Subjects Covered

#### Organizations

285 Group companies in Japan and overseas, including Suntory Holdings Ltd.

- Environmental data covers 27 production plants in Japan and 64 production plants overseas owned by companies that collectively account for more than 90% of the Suntory Group's sales
- Personnel data focuses on employees who have employment contracts with Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

#### Time Frame

The data covers performance from January 1 to December 31, 2021. The activities covered include some of the most up-to-date events.

#### Guidelines Referenced

- GRI (Global Reporting Initiative), “Sustainability Reporting Standard”
- ISO26000 (“Guidance on social responsibility”)
- Common Metrics and Consistent Reporting of Sustainable Value Creation

### ■ Published

July 2022 (next edition scheduled for June 2023)



# Suntory Group Sustainability Vision

To realize coexistence with society and nature and become a truly valuable company, the Suntory Group is working toward the realization of our corporate philosophy “To Create Harmony with People and Nature” by developing a variety of activities together with stakeholders.

## Suntory Group Sustainability Vision

### ■The Suntory Group's vision on sustainability

As a multifaceted consumer-oriented company, we are dedicated to realizing our mission “To Create Harmony with People and Nature.” This means promoting a sustainable society where nourishing and enriching people’s lives and conserving the natural environment go hand in hand. To realize this ambition, we deeply respect the blessings of nature on which our products rely, and engage in a range of corporate social responsibility activities to promote responsible environmental management that ensures sustainable use of natural resources and a healthy natural water cycle. In addition to delivering safe, high-quality products and services that consumers love, we continue to look for opportunities across our entire value chain to contribute to a sustainable society.

Our world faces a wide variety of environmental and social issues, such as water shortages, loss of biodiversity, climate change, pollution and increasing waste, poverty, human rights violations, and more. The Sustainable Development Goals (SDGs)\* adopted at the 2015 UN Summit call on businesses to address social issues and to promote a sustainable society. While the world works to solve these problems together, we will continue to tackle these issues as we expand our global business based on our vision “Growing for Good” .

\*Sustainable Development Goals are targets adopted in a UN Summit in September 2015 that the whole world should tackle by 2030

Suntory Group's Promise

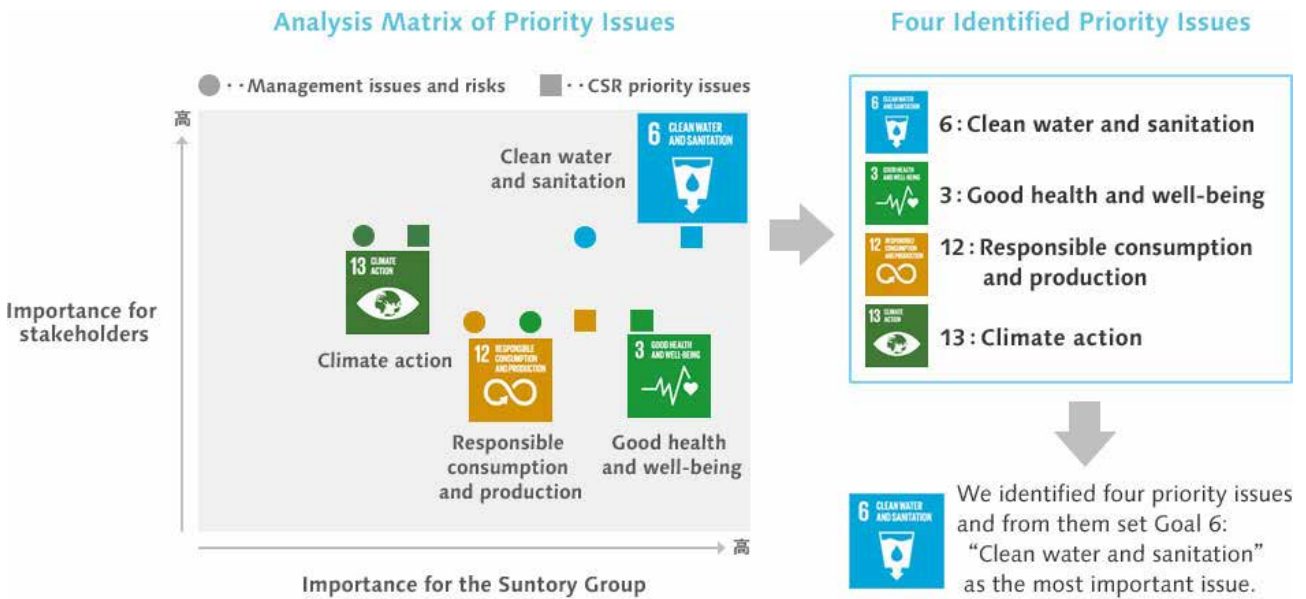
## Mizu To Ikiru

Suntory Group's Philosophy







## ■ Important sustainability themes for the Suntory Group







We used the SDGs to identify priority areas for future activities. With the cooperation of external consultants and supported by reports from organizations such as the World Economic Forum, we analyzed important issues at our company. We assessed their importance both for stakeholders and for the Suntory Group, and identified four high priority initiatives: Target 6 - Water and Sanitation, Target 3 - Health and Welfare, Target 12 - Responsible Production and Consumption, and Target 13 - Climate Action. In addition, with the recognition that water is the most important area for our business as a “Mizu To Ikiru” company, we will work across the Group to protect water. In addition to environmental conservation, Suntory Group emphasizes “enriching people's lives,” which includes providing goods and services to customers and promoting innovation that contribute to a society in which we coexist “To Create Harmony with People and Nature.”



## The Suntory Group's 7 sustainability themes

Theme	Commitment	Related SDGs
<p>Water</p> 	<p>Based on Suntory’s “Sustainable Water Philosophy,” we as a group promote activities to preserve water including understanding of the water cycle, reduction, recycling and wastewater management, watershed conservation, and work with external stakeholders to achieve water sustainability.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Environmental Principles and Targets</li> <li>● Water Sustainability Initiatives</li> </ul>	  



Theme	Commitment	Related SDGs
<p>CO<sub>2</sub></p> 	<p>In order to promote a decarbonized society and to address climate change, we reduce carbon emissions through the introduction of the latest energy-saving technologies and the use of renewable energy at our facilities as well as in our operations throughout the value chain.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Environmental Principles and Targets</li> <li>● Initiatives toward a zero carbon society</li> <li>● Disclosures Based on TCFD Recommendations</li> </ul>	
<p>Raw ingredients</p> 	<p>With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Environmental Principles</li> <li>● Sustainable Procurement</li> <li>● Sustainable Procurement Based on TCFD Recommendations</li> </ul>	
<p>Containers and packaging</p> 	<p>We consider the environment throughout the product life cycle — from product design, packaging materials, and containers, to transportation and recycling after consumption — and work to achieve a circular economy.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Environmental Principles</li> <li>● Suntory Group Plastic Policy</li> <li>● 3Rs in Containers and Packaging</li> </ul>	
<p>Health</p> 	<p>We believe that as a consumer-oriented company, it is important to support the pursuit of a balanced lifestyle both in body and mind. Our consumers have different needs and preferences at different life stages, and through our diverse business activities, the Suntory Group will support consumer wellness at each of those stages. By offering choice in products, services and experiences through our soft drinks, health foods, alcohol and other businesses, as well as by innovating in relevant fields, we will support the wellbeing and balanced lifestyles of our consumers.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> <li>● Reducing Harmful Drinking</li> <li>● Measures for Healthy and Comfortable Lifestyles</li> </ul>	

## Theme

## Commitment

## Related SDGs

Human Rights



### Group Employees

In addition to promoting a safe work environment, we promote health management and provide growth opportunities with a long-term perspective. In addition to respect for people and prevention of harassment and other related issues, we promote diversity (including of race, religion, gender, sexual orientation, age, nationality, language, and disability) and inclusion (accepting and valuing the differences between each individual as an important part of who they are). We also ensure labor safety to promote an environment that is easy to work in and full of the “Yatte Minahare” spirit.

### Value chain

In order to contribute to the well-being of all people involved in the value chain, we carefully review and understand our impact on human rights, and cooperate with external stakeholders including suppliers to conduct activities for the protection of human rights.

[Initiative]

- Assessment and Due Diligence
- Employees
- Supply Chain
- Compliance (Hotline)



Enriching life



We provide products and services that enrich people’s minds and bodies, promote innovation and create new value, and contribute to the creation of a more “human” society. Based on our founding spirit “Giving Back to Society,” we address social issues and contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. In the regions where we do business, we value dialogue with the local community, and strive to help address local issues to enrich people’s lives.

[Initiative]

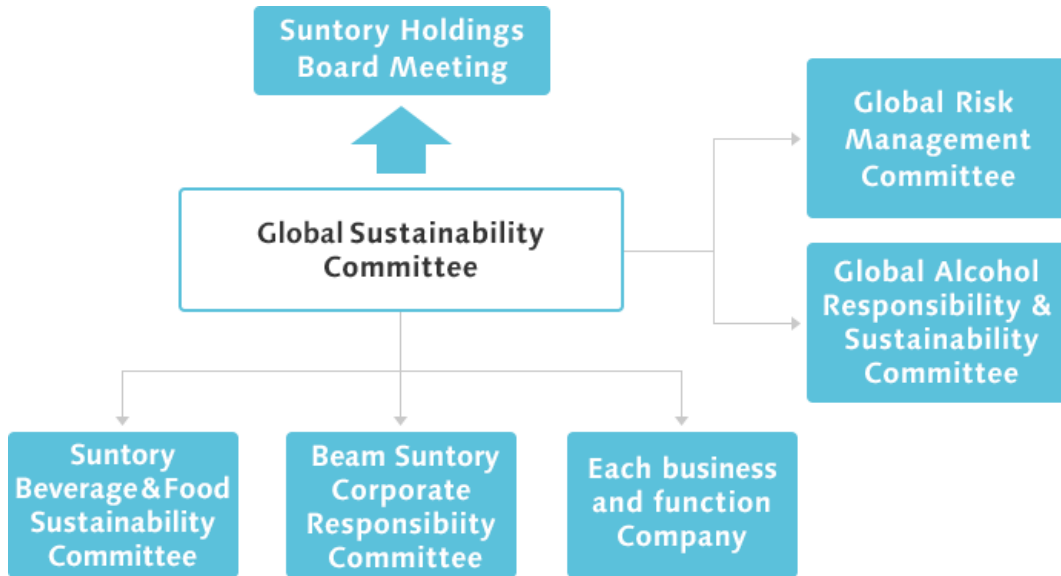
- To Create Harmony with Society Cultural and Social Contribution



## Promotion Organization

To promote sustainability management, the Global Sustainability Committee (GSC) acts as an advisory committee to the Board of Directors. The Group's sustainability strategies and the progress on priority themes (water, climate change, containers and packaging, raw ingredients, health and human rights) are discussed in the GSC under the lead of the CSO. The progress of environmental and social activities as well as business risks and opportunities are reported to the Board of Directors on a quarterly basis. In addition, the Board of Directors are provided with the opportunities to hear an advice from the third party experts on sustainability management.

### Suntory Group's Environmental Management Promotion Organization



### ■ Suntory Group's Mid- to Long-term Target

Suntory Group will sincerely face to the issues in the world, and continue its challenge to realize a sustainable society. Of such issues, we are placing focus on sustainability of water as a company with *Mizu To Ikiru* as a promise to the society as well as pressing issues of GHG emissions and plastics, and have set mid- to long-term goals along while promoting initiatives that lead the world.



# The Suntory Group's 7 Sustainability Themes

## 01 Water

Based on Suntory's "Sustainable Water Philosophy", we as a group promote activities to preserve water including understanding of the water cycle, reduction, recycling and wastewater management, watershed conservation, and work with external stakeholders to achieve water sustainability.

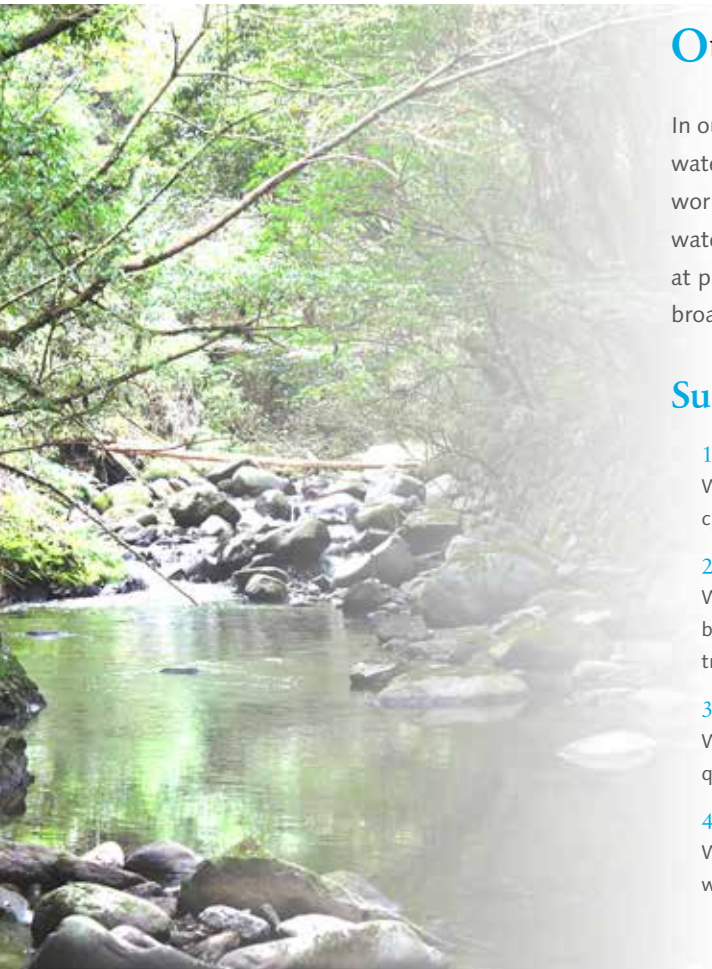
## Social Awareness

### Water is a valuable shared resource and the most important resource for the Suntory Group

Water is a valuable resource for supporting people's lives and the source of all of the Suntory Group's corporate activities. However, according to some predictions, people may face severe water shortages in the future due to the increase of global population and climate change. It is said that approximately five billion people will suffer from water shortages globally by 2050\*. The global water shortage involves numerous issues. For example, in addition to drinking and domestic use, a substantial amount of water is used in food production. We have placed achieving water sustainability as the first priority of the Suntory Group's Environmental Principles. In addition, the Suntory Group's Sustainable Water Philosophy was established in 2017 to promote various initiatives.

\*World Meteorological Organization (WMO)  
「The State of Climate Services 2021」





## Our Approach

In our Environmental Vision toward 2050, we have established the following water sustainability goals: Reduce water consumption in half at our plants worldwide; preserve water resources and the ecosystem to cultivate more water than is used by our plants worldwide; realize sustainable water use at primary raw material farms; and share the Sustainable Water Philosophy broadly in communities where we are expanding our primary businesses.

### Suntory Group's Sustainable Water Philosophy

#### 1.Understanding the natural cycle of water

We investigate watersheds around our sites to understand the local hydrological cycle, using a scientific approach when needed.

#### 2.Promoting environmentally conscious water use

We reduce the environmental impacts of water use on the natural water cycle by implementing 3R activities and returning water to nature after adequate treatment.

#### 3.Conserving watersheds

We conserve our watersheds and endeavor to improve local water quality and quantity in cooperation with stakeholders for a sustainable future.

#### 4.Engaging with the local community

We endeavor to support our community by fostering collective actions to solve water issues and enrich society.

## Our Initiatives

### Natural Water Sanctuary Initiative based on scientific approaches

We started our Natural Water Sanctuary Initiative in 2003 for the purposes of improving water resource cultivation and biodiversity. Until now, the Natural Water Sanctuary Initiative have grown to approximately 12,000 ha across 21 sites in 15 prefectures throughout Japan. Our original goal was to succeed in cultivating more than twice the amount of water used by our domestic plants by 2020. We achieved this goal in 2019, one year ahead of schedule. With the Suntory Institute for Water Science playing a central role, we collaborate with researchers from various fields to carry out ongoing activities based on science, looking ahead decades or even 100 years into the future. In addition to our Natural Water Sanctuary Initiative, we conduct bird conservation activities (Suntory Bird Conservation Activities) and implement the Suntory *Mizuiku* - Education Program for Nature and Water. We are also continuing to expand these activities in the areas around the world where we conduct our business activities.



## Water Nurtured in Natural Water Sanctuaries are Source of Our Products



Water is an indispensable resource in Suntory's manufacturing and is the most important resource for the Suntory Group. For example, clear water slowly cleansed by the granitic layer in the mountains around the Natural Water Sanctuary Southern Alps over 20 years is source for Suntory Tennensui Natural Mineral Water and Hakushu whisky. The water cultivated in the Natural Water Sanctuary Nishiyama, which is managed scientifically by the Tokyo University of Agriculture Okutama Experimental Forest Project, brings life of The Premium Malt's beer.

### — Management of 21 Forests Across Japan

Beer, whisky, non-alcoholic or other beverages Suntory produces in Japan all originate from the natural water cultivated in 21 unique forests. We strive to continue protecting the appeal, volume, and quality of water from these sources by engaging in activities to realize water sustainability with respect and appreciation.

We fully utilize the knowledge we have amassed through the Natural Water Sanctuary initiative to engage in activities related to water resource cultivation and water sustainability around the world.



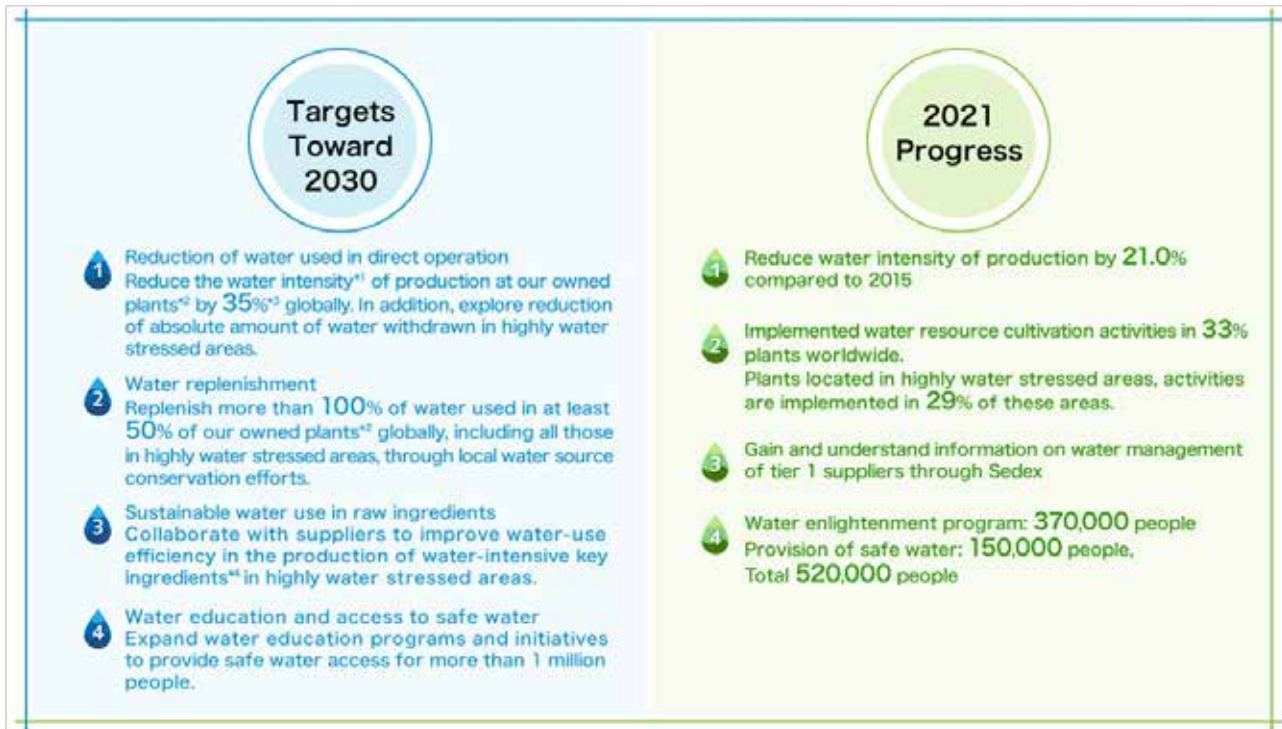
Suntory Tennensui Kita-Alps Shinano-no-mori plant

## Bringing Suntory *Mizuiku* - Education Program for Nature and Water to the world

Launched in Japan in 2004, Suntory *Mizuiku* - Education Program for Nature and Water is a program unique to Suntory designed for the next generation to realize the beauty of nature, to understand the importance of both water and the forests that nurture the groundwater, and to think about what they can do to ensure there is water in the future. With the expansion of Suntory Group's business activities internationally, we also launched Suntory *Mizuiku* - Education Program for Nature and Water in Vietnam in 2015, followed by Thailand, Indonesia, France and China. And in 2022, we launched in Spain. At the international level, Suntory *Mizuiku* - Education Program for Nature and Water provides children with on-site lessons at schools and with outdoor nature programs where they learn about the importance of water, hygiene management, the importance of water source conservation, etc. As water is a very local resource, the programming in each region is developed according to the local water issues. In addition, we are contributing to the installation of toilets and washrooms at elementary schools in Vietnam to improve sanitary environment of children. In Thailand, we prevented sediment-based erosion by slowing the currents of streams, installed small weirs to support permeation of underground water, planting trees to prevent soil from flowing into the streams, and carrying out other water resource preservation activities. We will continue to promote Suntory *Mizuiku* - Education Program for Nature and Water, one of our next generation educational programs, in countries where we carry out business.



# Targets & Progress



\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production

\*2 Owned plants that manufactures finished products and excludes plants for packaging and ingredien

\*3 Reduction of water intensity of production based on 2015 baseline year

\*3 Coffee, barley, grapes





Aiming for the realization of a decarbonized society, we reduce Greenhouse gas(GHG) emissions by promoting energy-saving activities, proactively implementing renewable energy solutions, utilizing next-generation infrastructure options, and working together with stakeholders across the value chain.

## Social Awareness

### Climate change measures play a significant role in the Suntory Group's environmental management

The Intergovernmental Panel on Climate Change (IPCC) estimates that by the end of the current century, the average temperature of the Earth will rise 0.3 to 4.8°C .

As a result, it is presumed that this change will lead to a rise in sea level and frequent extreme weather, which will in effect have a large impact on the ecosystem, food production, etc. Dedicated to our mission "To Create Harmony with People and Nature" we are committed to reduce GHG emissions at our own sites around the world as well as in the entire value chain and promoting environmental management throughout the Group in order to protect the global environment, which to us serves as an important foundation of our business.





## Our Approach

In our Environmental Vision toward 2050, Suntory Group aims to achieve net-zero GHG emissions across the entire value chain by 2050. Our Environmental Targets toward 2030 includes reducing GHG emissions by 50% from our direct operations as well as by 30% across our entire value chain.

### Environmental Vision toward 2050 and Environmental Targets toward 2030

#### Environmental Vision toward 2050

- Aim for net zero greenhouse gas emissions across the whole value chain by 2050.
- Continue to promote energy conservation, proactively implement renewable energy solutions, utilize next-generation infrastructure options and work together with stakeholders across the value chain in order to contribute to realizing a decarbonized society

#### Environmental Targets toward 2030

- Reduce GHG emissions from our direct operations by 50%\*
- Reduce GHG emissions across our entire value chain by 30%\*

\*Based on emissions in 2019.

## Our Initiatives

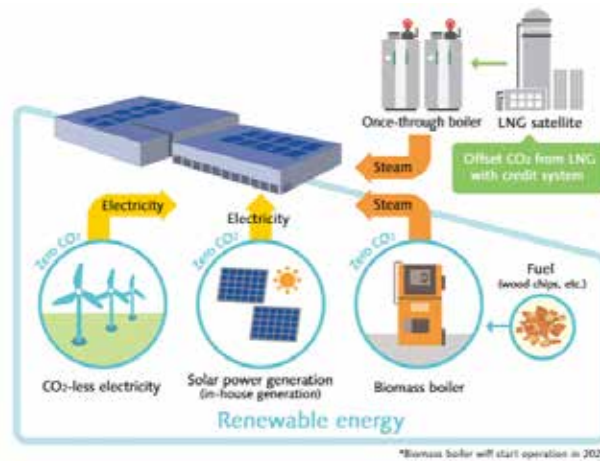
### Utilization of the latest energy-saving technologies and renewable energy at our plants

We are proactively adopting the latest energy-saving technologies at Suntory Group plants. For example, we are delivering power to other owned plants obtained by a cogeneration system, which recovers heat generated from in-house generation as a heat source, at Tonegawa Brewery in Japan. At our tequila plant in Mexico, we installed once-through boilers designed to improve the heat recovery rate during the distillation process. In addition to promoting renewable energy use through measures such as installing photovoltaic panels at our plant in Carcagente, Spain (capable of generating approx. 737kW of electricity) and our Minami Alps Hakushu Water Plant in Japan (capable of generating approx. 490kW of electricity), we are working to reduce GHG emissions from a variety of angles, including switching from heavy oil to city gas, LNG (liquefied natural gas), and biomass fuels, natural fuels that have fewer GHG emissions per unit.



## Net-zero CO2 Emissions Plant

The Kita Alps Shinano-no-Mori Plant (Omachi City, Nagano Prefecture) which started operation in May 2021 as a fourth water resource for Suntory Tennensui Mineral Water, become the Suntory Group's first zero CO2 emissions plant in Japan through adoption of solar power generation facility and boilers which use biomass fuel as well as purchasing electricity sourced from 100% renewable energy. procurement derived from renewable energy. In France, four plants, including the Donnery Plant, have already achieved net zero CO2 emissions, and in North America, the Fred B. Noe Craft Distillery, which is powered entirely by renewable energy, has begun its operation.



Suntory Tennensui Kita Alps Shinano-no-mori Plant Zero CO2 emissions Plant Energy Supply Scheme

## Suntory Group Purchases 100% Renewable Electricity for all its Owned Manufacturing Sites and R&D Facilities in Japan<sup>(\*1)</sup>

Suntory group will aim to achieve 100% renewable electricity in the group's 63 directly-owned manufacturing sites and R&D facilities in Japan, the Americas and Europe by 2022<sup>\*1</sup>.

From April 2022, the company have purchase 100% renewable electricity for all 30 directly owned manufacturing sites and R&D facilities in Japan.

This will amount to a reduction equivalent to approximately 150,000 metric tons of greenhouse gas (GHG) emissions per year<sup>\*2</sup>, which will greatly contribute to meeting the company's 2030 goal of halving GHG emissions in its direct operations<sup>\*3</sup>. In addition, 8 other facilities in Japan such as the Suntory Hall, the Suntory Museum of Art and Suntory Holdings' headquarter office will also switch all of their purchased electricity to be sourced from 100% renewable energy.

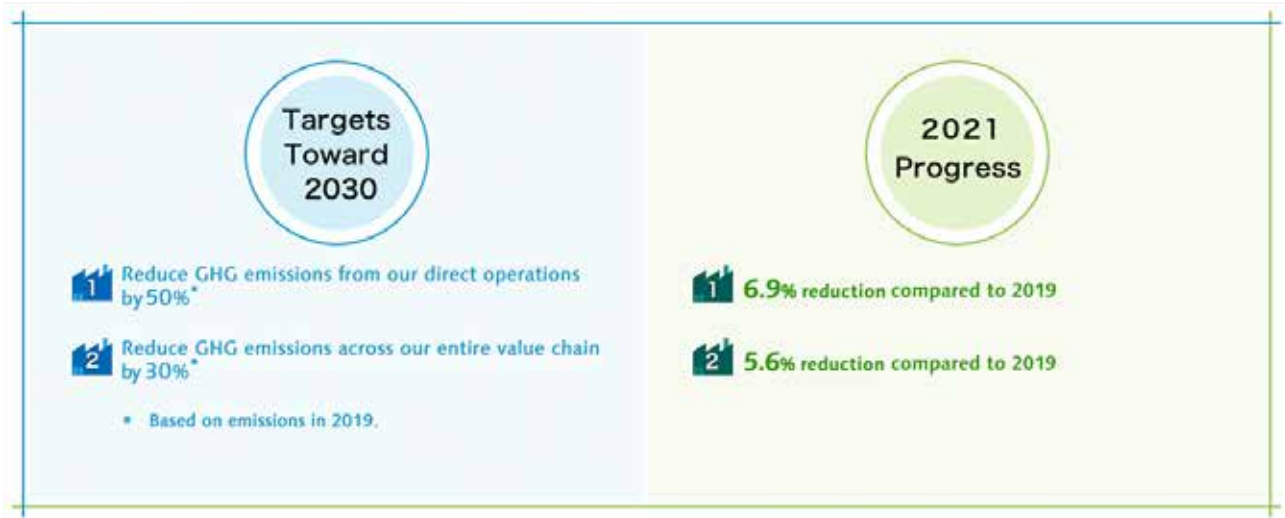
\*1 For its alcohol and non-alcohol beverage business

\*2 Based on 2020 emissions level

\*3 Total reduction versus 2019 baseline in scopes 1 and 2



## Targets & Progress



# The Suntory Group's 7 Sustainability Themes



## Raw Ingredients

With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.

### Social Awareness

#### Emphasizing sustainable procurement which consider the environment and society

It is predicted that the increase in average temperatures due to climate change will cause extreme weather events such as droughts and floods, which will have a significant impact on production activities, including fluctuations in production volume and shifts in suitable cultivation areas. Furthermore, behind production and procurement activities lie social issues that negatively affect the human rights of people working in the supply chain. In order to offer our customers high-quality products and services, at the Suntory Group we believe it is crucial to promote sustainability throughout our entire supply chain. This means we need to give due consideration to environment and society, as well as to safety and reliability.

#### Contributing to the SDGs





## Our Approach

### Working with business partners to promote activities throughout the supply chain

We established the Suntory Group Supplier Guidelines based on the Basic Policy on the Sustainable Supply Chain in June 2017 to contribute to the realization of a sustainable society while also accelerating sustainable procurement within the Suntory Group. These guidelines put in place specific compliance items required in each field from human rights and legal compliance to the environment for suppliers of Suntory in Japan and overseas to confirm the same ethical values are shared between the Suntory Group and its suppliers. We share our policy with major suppliers at the annual supplier gathering. In addition, We have newly established Global Procurement Promotion Division in April 2019 to promote sustainable procurement throughout the Group and have been conducting optimum and sustainable procurement across the globe.

### The Suntory Group's Basic Policy on Supply Chain Sustainability (Established 2011)

In order to provide high-quality products and services safely and reliably based on our corporate philosophy of "To Create Harmony with People and Nature" and our Code of Business Ethics, the Suntory Group engages in fair business practices and, in collaboration with supply chain business partners, promotes procurement activities that take social responsibility into consideration, mindful of such issues as human rights, labor standards, and the environment.

We build good partnerships with our business partners and contribute toward realizing a truly affluent and sustainable society.

#### 1. Legal Compliance and Respect for International Standards of Conduct

We will promote fair and equitable procurement activities that comply with each country's laws and respect international standards of conduct.

#### 2. Consideration for Human Rights, Labor, and Safety and Health

We will promote supply chain initiatives that respect basic human rights and are mindful of labor conditions and safety and health.

#### 3. Guaranteeing Quality and Safety

Aligned with the Suntory Group Quality Policy, we will promote supply chain initiatives that seek to guarantee a high level of quality and safety based on the optimal standards for quality, cost, and supply.

#### 4. Consideration for the Global Environment

Aligned with the Basic Principles of Suntory Group's Environmental Policy, we will promote procurement activities mindful of the global environment.

#### 5. Preservation of Information Security

Confidential information regarding procurement dealings and personal information will be strictly controlled.

#### 6. Coexistence with Society

We will promote social contribution initiatives directed toward coexisting within society.

## Our Initiatives

### Conducting risk assessment using Sedex

Suntory Group conducts a screening based on The Suntory Group's Basic Policy on Supply Chain Sustainability for all new suppliers.

In addition, in June 2019 we joined Sedex, the largest supplier ethical information sharing platform for corporate ESG data in the world.

Through this platform we are engaging our suppliers and gathering key information (SAQ\*) regarding social and environmental compliance.

As of April 2022, over 1000 manufacturing facilities of suppliers around the global are linked with the Suntory Group through Sedex, and we have started to conduct risk assessments. By leveraging the tools provided by Sedex, we have strengthened supplier management, enabling us to visualize and monitor the environmental and social risks faced by our suppliers.

\*Self Assessment Questionnaire



### Initiatives in collaboration with green tea production area

In order to promote sustainable procurement of tea leaves used for green tea beverages, the Suntory Group has launched a long-term initiative in collaboration with tea production area. Collaborating with Kuma Regional Agricultural Cooperative (JA Kuma), we have succeeded in reducing GHG emissions by more than 30%\*1 compared to the general method by introducing an environmentally friendly process in the tea leaf production process at JA Kuma. In addition to pursuing high-quality tea production, we hope to contribute to the continuation of tea production in the region and the training of successors in tea farming.

\*1 Emissions per unit production weight in the production of green tea raw materials in the process from leaves to Aracha tea



## Support activities for blackcurrant farmers

Based in the UK, Suntory Beverage & Food Great Britain and Ireland (SBF GB&I) produces and sells Ribena, a soft drink that is a favorite of many people in Europe. 90% of the blackcurrants used to make Ribena are produced in the UK. SBF GB&I started providing blackcurrant farmers with sustainable farming support in 2004. In addition to other efforts, we promote the employment of cultivation experts (agronomists) who provide advice directly to farmers as well as research on blackcurrants resistant to climate change. Furthermore, we have established a biodiversity roadmap tailored to each farm as well as the individual habitats around it, and are promoting ecosystem conservation activities for rivers and wetlands.







We consider the environment throughout the product life cycle—from product design, packaging materials, and containers, to transportation and recycling after consumption—and work to achieve a circular economy.

## Social Awareness

### Toward making all plastic bottles used in the Group to be sustainable by 2030

Plastic products have enriched our lives due to their usefulness. However, environmental pollution caused by improper handling of used plastics has become a major social issue. In Japan, the Ministry of the Environment has established the Plastics Material Cycle Strategy as a strategy for comprehensively promoting resource recycling while recognizing the convenience of plastic products.

The Suntory Group is united in addressing the issue of plastics, formulating the Suntory Group Plastic Policy which view it as an urgent issue that we should take the initiative in dealing with.





## Our Approach

### Reducing environmental impact from containers and packaging through our unique 2R+B\*<sup>1</sup> Strategy

Suntory Group recognizes the social and environmental impacts that containers and packaging cause and established "Guidelines for the Environmental Design of Containers and Packaging" in 1997. In regard to plastic bottles specifically, based on our unique 2R+B (Reduce/Recycle + Bio) strategy, we are working to reduce the weight of the containers, recycle them, and actively using plant-derived resins. We have created the lightest bottle cap produced in Japan\*<sup>2</sup>, the thinnest bottle label (consisting of 80% reused PET resin), and the lightest domestic PET bottle (consisting of 30% plant-based material)\*<sup>3</sup>.

We aim to switch all the PET bottles used for Suntory products to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials, contributing to the realization of a recycling-oriented and zero carbon society.

\*1 "2R+B" is a registered trademark.

\*2 Designed for plastic bottles with 30 mm diameter necks. As of April 2020

\*3 Plastic bottles for mineral water (500mℓ to 600mℓ) in Japan. As of April 2020

## Suntory Group Plastic Policy

Expressing gratitude toward the Blessings of Nature that are the source of Suntory's products, the Suntory Group will provide strong leadership for transforming into a recycling-oriented and zero carbon society to bring about a world where diverse animal and plant life shines and resonates. With its diversity in usage and convenience, plastic has made our lives easier. The plastic containers and packaging we use serve a useful function, but to prevent them from having a negative impact on the global environment, we will promote problem-solving efforts together with various stakeholders. Each employee of Suntory will work on taking responsible action to solve problems and take the initiative in bringing about a sustainable society.

#### 1. Recycle & Renewable:

- Aim to switch all the PET bottles used globally for Suntory products to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials.
- Actively work and collaborate with government agencies, industry, environmental non-governmental and non-profit organizations for the measures necessary to develop an efficient recycling system based on the situation of each country where we do business.

#### 2. Reduce & Replacement:

Reduce the amount of plastic used by changing the design of containers and packaging and look for the introduction of alternative containers that do not negatively impact the environment in order to effectively utilize resources.

#### 3. Innovation:

Actively invest in innovation for materials and processes that improve the recycling rate and minimize environmental impact.

#### 4. New Behavior:

Promote activities that drive change in consumer behavior. Each Suntory employee will work to change their lifestyle, promote sorting and collection, and actively participate in social contribution activities such as cleaning up rivers and beaches.

# Our Initiatives

## Accelerating Use of PET bottles Using 100% Sustainable Materials

In order to achieve Suntory Group's ambition to use 100% sustainable PET bottles globally by 2030 by using only recycled or plant-based materials and achieving zero use of virgin petroleum-based materials, Suntory Beverage & Food will aim to make one in two PET bottles used in Japan to be made from 100% sustainable\*1 materials in 2022.

We have been introducing a new logo "Bottles are resources! Towards a Sustainable Bottle" on all of its PET bottles in Japan to communicate to consumers that PET bottles are resources that can be recycled many times, and strengthen its communication to consumers.

Suntory Beverage & Food Europe brand *Ribena* was the first soft drinks brand in the UK to use a 100% PET bottle made from recycled plastic. The company has been increasing its use of recycled plastic - in 2021 this included the introduction of 100% recycled PET in *May Tea* and *Pulco* in France.

In 2022, Suntory Beverage & Food Europe has started 100% recycled PET bottles in its Lucozade Sport brand in the UK and Ireland.

Suntory Beverage & Food Asia Pacific, with its main operations in Vietnam, Thailand and Indonesia, is also strengthening its efforts on recycling and has introduced the company's first 100% recycled PET bottles in Vietnam in 2022.

In the wine business in Japan, we have also achieved 100% recycled 720ml PET bottles. We will continue to accelerate our efforts throughout the Suntory Group.

\*1 100% recycled or plant-based materials



## F-to-P direct recycling technology

We worked with Kyoei Sangyo Co., Ltd. SIPA in Italy and EREMA in Austria to be the first to succeed in developing a recycling technology that can directly manufacture preforms after processing crushed and cleaned flake from recycled PET bottles. The F-to-P direct recycling technology can reduce CO<sub>2</sub> emissions by 70%\*<sup>1</sup> compared to virgin PET bottles. ( Current mechanical recycle can reduce CO<sub>2</sub> emissions by 60%\*<sup>1</sup>.)This F-to-P direct recycling technology received the WorldStar Award at WorldStar Packaging Awards 2019.

The recycled PET bottles produced by mechanical recycling will be colored and they have no quality issues and safety issues. The mechanical recycling system have highest cost efficiency and lowest environmental impact\*<sup>2</sup> (CO<sub>2</sub> emissions from raw material procurement to preform manufacturing) among PET bottle recycling systems adopted in Japan in 2022.

\*1 Processes from used PET bottles to the preform production.

\*2 Based on our research



## Establishment of R Plus Japan Ltd.

Suntory Group and Anellotech, Inc., a biochemical venture firm in the United States, have worked in a collaborative development of a plastic bottle that uses 100% plant-derived raw materials. Through this development, we were able to discover new possibilities for developing an efficient recycling technology for used plastics with low environmental impact. This technology is one of the most unique, ground-breaking technologies in the world, which can be expected to recycle plastics with less CO<sub>2</sub> emissions and energy consumption than ever before. Aiming for the actual utilization of this technology, 12 companies\*<sup>3</sup> (including Suntory) within the plastics supply chain established R Plus Japan Ltd., a joint venture company focused on the recycling of used plastics. 40 companies (as of the end of May 2022), including overseas partners and companies across industries, are collaborating to take on the challenge of realizing a recycling-oriented society together.

\*3 TOYOBO Co. Ltd., Rengo Co. Ltd., Toyo Seikan Group Holdings Ltd., J&T Recycling Corporation, Asahi Group Holdings Ltd., Iwatani Corporation, Dai Nippon Printing Co. Ltd., Toppan Printing Co. Ltd., Fuji Seal International Inc., Hokkaican Co. Ltd., and Yoshino Kogyosho Co. Ltd.



R PLUS JAPAN Ltd.

## Targets & Progress



# The Suntory Group's 7 Sustainability Themes

05   
Health

We believe that as a consumer-oriented company, it is important to support the pursuit of a balanced lifestyle both in body and mind. Our consumers have different needs and preferences at different life stages, and through our diverse business activities, the Suntory Group will support consumer wellness at each of those stages. By offering choice in products, services and experiences through our soft drinks, health foods, alcohol and other businesses, as well as by innovating in relevant fields, we will support the wellbeing and balanced lifestyles of our consumers.

## Social Awareness

### Contributing to solving world health issues through products and services

There are a variety of health issues affecting the global population. For example, a 2017 indicated that one in eight adults aged 18 years and older were obese; in 2010 the World Health Organization (WHO) adopted the Global strategy to reduce harmful use of alcohol to address the risk factors thereof; and by 2045, the number of elderly people in the world is expected to exceed the number of children due to an aging global population. While these examples are varied, each one is an issue Suntory seeks to address through its products and services. Suntory strives to prevent alcohol-related issues and raise awareness of responsible drinking in order to contribute to healthy living. Furthermore, through continuous research and development led in Japan, we aim to provide Natural and Healthy beverages as well as health foods to support wellness, with a goal of contributing to the realization of a healthy society where people are healthy in mind and body.





## Our Approach

### — Alcoholic beverages

As a provider of alcoholic beverages including beer, wine and spirits, Suntory seeks to inspire human connections and to celebrate the milestones of our lives. To this end, we are committed to promoting the moderate consumption of our products and encouraging responsible choices surrounding alcohol. With our Drink Smart alcohol responsibility program as a core, we work both within the Suntory Group and in partnership with industry peers and other partners to reduce harmful consumption of alcohol, including overconsumption, driving under the influence, underage drinking, and drinking during and after pregnancy. We also offer non-alcoholic and low-alcohol products to meet customer preferences and support healthy lifestyles.

### — Soft drinks

In addition to leveraging Japan-led research on and development of "Natural and Healthy" beverages, we address health and wellness concerns through our beverages to allow consumers to make positive choices in pursuit of a natural, healthy, convenient and rich lifestyle.

### — Health foods

In order to contribute to a longer active life, we research the relationship between "the power of nature" and health to support people's health, beauty, and wellness through daily dietary habits.

## Our Initiatives

### Development of products that respond to the needs of health-conscious consumers

In order to respond to the needs of health-conscious consumers, Suntory Group promotes the development of food for specified health uses (FOSHU), functional RTD beverages, and health foods based on research.



### — Alcoholic beverages

In addition to raising awareness regarding responsible drinking, the Suntory Group is striving to promote low-alcohol and non-alcoholic drinks for a broad range of adult consumers of legal drinking age to enjoy without worrying about the effects of alcohol. In 2010, we launched "All Free" and in 2011 "Non-arukibun", pioneering the creation of a market for non-alcoholic beverages with an alcohol content of 0.00%. In recent years, we have expanded our product lineup with the release of "All Free for Your Body," a food with functional claims that responds to growing health consciousness, "Non-arukibun Lemon Sour Non-alcoholic," a lemon sour-flavored beverage, and "Non-aludewine-no-kyujitsu," a new wine-flavored non-alcoholic beverage.



### — Soft drinks

Suntory provides various beverages categorized as food for specified health uses (FOSHU) due to their various positive health effects. For example, Kuro Oolong Tea OTPP was developed based on research results to apply prevention of fat absorption in polymerized polyphenols of oolong tea characteristics; Sesame Barley Tea is suitable for people with high blood pressure; Pepsi Special prevents fat absorption; and Tokucha (FOSHU Iyemon) is the world's first drink to clarify the lipolytic action of quercetin glycoside. While contributing to the health of our customers with a variety of lineups such as Iyemon Plus, a ready-to-drink (RTD) product which has the ability to lower bad cholesterol (LDL), we also ensure that a high quality of taste is maintained and will continue research to deliver products that are both healthy and delicious. In addition, utilizing knowledge for developing sugar-free beverages such as tea and water and low-sugar beverages, knowledge cultivated for many years in Japan, we are expanding our natural and healthy beverage portfolio and actively promoting the use of less sugar in soft drinks globally.



### — Health foods

At Suntory Wellness, in order to help provide each and every customer with a "healthy, beautiful, and enriched daily life," we search for ingredients that are good for health and scientifically verify how to make the most of them. In the mid-1980s, we took on the challenge of analyzing the functionality of sesame that has been praised for its health benefits and scientifically investigating the health effectiveness of sesamin, which is one minor component of sesame lignan that is part of sesame. This was commercialized as our first health food in 1993. Thereafter, we released Sesamin EX, a more powerful version of the product, based on a combination with vitamin E, tocotrienol, Oriza Plus, which is a component derived from brown rice.





## Development of SUNTORY+, a service to support health management of companies

Suntory Beverage & Food Ltd. launched the "100 Year Life Project" in 2018 with the hope of being a company that supports people to lead healthy, optimistic lives, and to find the power to be themselves. We are also promoting joint research with external dedicated agencies; developing and strengthening of our product portfolio of beverages that address lifestyle diseases; providing services to improve lifestyle habits; and engaging in various other health-related initiatives.

As a service to improve lifestyle habits, we developed SUNTORY+, a free app that supports health management within companies by encouraging the individual development of healthy habits for employees. It has a large number of points of contact with vending machines at work, a drink portfolio by issue, such as sugar measures, blood pressure measures, cholesterol measures, body fat measures, and daily drinks. It makes use of communication methods that capture consumer insights accumulated during development. We will strive to support the health of our customers even when they reach 100 years old.



## Supporting Diversifying Lifestyles

There are over two million customers that enjoy Suntory Wellness products throughout Japan. As people age, their lifestyles diversifies based on their health conditions, living conditions, and motivations. To closely support each customer, we aim to offer specific and personalized products, services and programs through the life stages and help good aging through utilizing latest digital technologies.

We also strive to create motivation for customers and contribute in creating a community that encourages emotional bonds and happiness through projects such as Be Supporters! based on the concept of "from supported to a supporter," this project aims to encourage elderly and people with dementia that are often "supported" to "supporter" of soccer clubs and "support" the club and local community.





In addition to promoting a safe work environment for Suntory Group employees, we promote health management and provide growth opportunities with a long-term perspective. This allows us to support the realization of healthy, joyful lives and promote diversity and inclusion. In order to contribute to the well-being of all people involved in the value chain, we actively cooperate with external stakeholders to promote activities for the protection of human rights.

## Social Awareness

### Respecting the human rights of everyone connected with our business

In 2011, the United National Guiding Principles on Business and Human Rights were approved at the United Nations Human Rights Council, becoming the global standard for all countries and companies to follow. In 2015, the Modern Slavery Act 2015 (UK) was enacted to confirm and eradicate human rights violations and risks such as forced labor and human trafficking in company supply chains. As a result, society is increasingly interested in the initiatives that companies take to protect human rights. Suntory Group promotes initiatives that aim at protecting the human rights of all people related to our business.





## Our Approach

With the globalization of business practices, society is increasingly interested in the initiatives that companies take to protect human rights. The Suntory Group considers the respect for human rights of stakeholders a highly important issue and reflects it in its sustainability vision. To promote activities considering human rights, we have formulated the Suntory Group Human Rights Policy to further strengthen existing initiatives by engaging with employees and suppliers.

## Our Initiatives

**We bring people together as Suntorians. We treat our uniqueness as strengths where everyone can feel pride for who they are and carrying out their "Yatte Minahare" spirit.**

In line with our vision of Growing for Good, Suntory Group is committed to Diversity, Equity and Inclusion (DEI). Although at different stage of evolution, Suntory Group companies have taken steps to derive strength from diversity and enrich our workplace through inclusion. Not only do we commit to recognizing, valuing and respecting diversity and actively promoting and fostering inclusion, we will find ways to ensure equity as we listen to the voices and perspectives of our employees and take action.

In November 2021, we have established our first global DEI vision and strategic pillars. This is our ambition to build an environment where each and every Suntorian to unleash their spirit.



In addition, the Suntory Group started employing people with intellectual disabilities in 2015. We hired 27 people over a seven year period to April 2021 who are working at two of our offices in Tokyo and Osaka. Since April 2018, this team, named the Collaborative Center, is in charge of centralizing some of the daily work, contributing to create more time-effective procedures. Through work and various experiences, employees with disabilities aim to grow and become independent, and play an active role as a member (driving force) of the organization.

We continue to take on the challenge of creating an organization in which employees with diverse personalities interact and influence each other, and working together is the norm.



## Conducting Human Rights Due Diligence Related to Immigrant Workers

As advised in the individual dialogue with overseas experts hosted by Caux Round Table Japan (CRT) in 2019, we are confirming the state of the labor conditions of migrant workers including foreign technical intern trainees, which is one important human rights issue.

With the help of CRT as a third-party, in 2021 we conducted interviews with foreign technical intern trainees as a human rights impact assessment at Tsuzuki and Takatsu plants of Izutsu Maisen, a Group company that hires foreign technical intern trainees. No human rights risks were pointed out by Hiroshi Ishida, Executive Director of CRT. We will continue to build a good workplace environment through effective communication.



# The Suntory Group's 7 Sustainability Themes



Based on our founding spirit "Giving Back to Society," we contribute to enhancing social welfare, including the arts, culture, science, sports, and next generation education. We strive to help address local issues to enrich peoples' lives in each of the regions where we do business.

## Social Awareness

### "Giving Back to Society" - Enriching people's spirits and society since the founding

The sustainable society that we aim for is one in which we have realized the Suntory Group's corporate philosophy of "To create harmony with people and nature". We aim to enrich lives by delivering products and services of value to customers and society, while building long-lasting and mutually beneficial relationships with the people around us. We want to be a company that inspires and invigorates society, and so we thoughtfully engage in the arts & culture, science, sports, social welfare, and community activities relevant to the times. Such social activities of the Suntory Group are thought to also contribute to our business and sustainable growth of society.

\* While we always aim for success, we recognize the importance of the world around us. We are committed to building long-lasting, mutually beneficial relationships.

Contributing to the SDGs





## Our Approach

### Building mutually beneficial relationships with stakeholders and society through sharing success

Suntory engages with the arts through a variety of endeavors. In 2019, the Suntory Foundation for the Arts, which manages museums and halls, celebrated its 50th anniversary, and the Suntory Foundation, which aims to contribute to academic and cultural development, celebrated its 40th anniversary. We also support the education and development of the next generation in the fields of music, art, as well as sports. Beyond talent development support, Suntory supports athletics through its own rugby and volleyball teams' participation in league games as well as through its support of para-sports through Suntory Challenged Sports Projects. In addition, we continue to conduct community service activities, including providing support to social welfare organizations and disaster affected areas. This all ties to our spirit of "Giving Back to Society" which has existed since our company founding, a representation of our unchanging values.

## Suntory Group Basic Policy on Social Activities

The Suntory Group strives to actively contribute to communities in order to help realize the society where people can full-heartedly enjoy life. Social contribution is the corporate motto inherited by our founder's spirit "Giving back to Society". We are aiming to realize the rich growth of lifestyle culture as well as a sustainable global society to fulfill our social responsibility worldwide while delivering the highest-quality products and services to consumers based on our corporate philosophy "To Create Harmony with People and Nature".

1. Promote activities based on the standpoint of the next generation and actual situation worldwide together with our employees around the fields of arts and culture, sports, social welfare, and the natural environment.
2. Focus on a dialog with stakeholders and work to generate links and cooperation.
3. Support the wide-range of volunteer activities of employees.

## Our Initiatives

### Social contribution by the Suntory Group for helping prevent the spread of COVID-19

As COVID-19 spreads around the world, we have a responsibility as a corporate citizen to support society's efforts to overcome the difficulties faced globally. We are engaged in various efforts, always keeping our spirit of "Giving Back to Society" as our core. For example, we are providing alcohol distilled in Japan, the United States, Canada, and Europe to be used as disinfectant for medical institutions. We also are providing product and monetary donations to medical personnel and local communities around the world.



## Recovery and Beyond

### Launch of Programs for the Future of Tohoku and Kumamoto

Suntory Group launched programs to support programs that aim to build the future of Tohoku and Kumamoto as part of the initiatives to continue supporting the recovery activities in the regions after the Great East Japan Earthquake and Kumamoto Earthquake.

We have been continuing activities to support the recovery on a scale of 10.8 billion yen in total. As 2021 marking the tenth year since the Great East Japan Earthquake, We launched Future Challenge Program that aims to support the people in Iwate, Miyagi, and Fukushima that are striving to revitalize the region.

Subsidy totaling 100 million yen scale are planned to be granted to organizations and individual in over three periods from July 2021 to June 2024.

It has been five years has passed since the Kumamoto Earthquake. As a member of the local community that has a production plant in Kumamoto, Suntory co-hosts "Land of Water" Kumamoto Map of the Future Program with Kumamoto Nichinichi Shimbun. The Program targets local students from elementary schools to universities with the aim of passing down the memories and creating the future of Kumamoto with everyone involved. This program offers online lectures and workshops on recovery and disaster prevention to promote the next generation in Kumamoto to actively think and act. Their ideas about the future of Kumamoto are presented at a reporting session.



Sustainability Initiatives

# To Create Harmony with Customers and Partners

## Products and Services

The Suntory Group values communication with customers and reflects their feedback widely in its corporate activities while also working to preserve and improve quality in all of its processes including planning and development of products and services, procurement of raw materials such as water, agricultural products and packaging materials, manufacturing, distribution, provision of goods and services - based on the Suntory Quality Policy of "All for the Quality" to continually provide products and services able to earn the trust and satisfaction of customers. In addition, we are actively engaged in tackling alcohol-related problems as a global multi-faceted food and beverage company.



Quality



Customer relations



Procurement



ARP



### Voluntary Declaration of Consumer Orientation

Under the corporate mission of "To create harmony with people and nature," we will offer products and services that pursue highest quality and enrich the lifestyles of people around the world and contribute in realizing a sustainable natural environment.



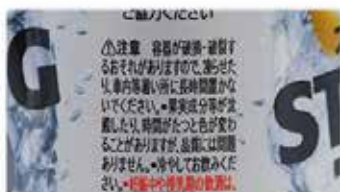
### Promotion of Group Quality Management

We are establishing and promoting a system for thorough quality assurance.



### Quality Assurance from a Customer Perspective in All Processes

Grounded in the Suntory Group Quality Policy, our employees are continually working on quality assurance activities in all of our processes, from product planning and development to material procurement, manufacturing, distribution, sales, and services.



### Appropriate Information Disclosure

In order gain the confidence and trust of our customers, we will communicate information and activities related to quality assurance in an appropriate, accurate, and easy-to-understand manner.



### Communicating with Customers

We listen to the voice of customers and respond to them timely, accurately, and sincerely. These voices are reflected in business activities to develop and improve better products and services.



### Employees with Customer Oriented mindset

In order to promote Customer oriented management, we conduct enlightenment activities for employees for nurturing Customer Oriented mindset.





 **Sustainable Procurement**

We are promoting Sustainable procurement with our business partners to contribute to the realization of a sustainable society.



 **Just and Fair Transactions**

We base our relationships with business partners on just evaluations and selection and fair competitive opportunities.



 **Promoting Distribution Considering Safety**

We are promoting environmental distribution that is safe and considers the environment in cooperation with distribution affiliates.



 **Reducing Harmful Drinking**

As a company dedicated to responsible manufacturing and sales of alcoholic beverages, we play an active role in addressing alcohol-related issues.



 **Measures for Healthy and Comfortable Lifestyles**

As a company dedicated to responsible manufacturing and sales of alcoholic beverages, we play an active role in addressing alcohol-related issues.

To Create Harmony with Customers and Partners: Products and Services

# Voluntary Declaration toward Consumer Orientation

April 2017

Takeshi Niinami

President, and Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Ltd.

## ■ Philosophy

Under the corporate mission of "To create harmony with people and nature," we will offer products and services that pursue highest quality and enrich the lifestyles of people around the world and contribute in realizing a sustainable natural environment.

We strive to be a Growing for Good company that is a good corporate citizen and trusted by the customers following this corporate mission.

## ■ Initiative Policies

### (1) We will offer products and services that create harmony with the customers

The Suntory Group values bilateral communication with customers based on the customer satisfaction first mentality. We respond sincerely to the opinions and requests that we receive from the customers. We are strengthening initiatives that connect to developing and improving better products and services.

### (2) We will pursue safety and reliability from customers' standpoint

Grounded in the Suntory Group All for the Quality Policy, we will continually work to maintain and improve quality in all of our processes, from planning and development of products and services to material procurement such as water, agricultural products and packaging to manufacturing, distribution, sales, and services. We strive to improve the quality of our product and services while preventing quality risks through the Quality Assurance Committee which promotes quality management in the entire Group.

### (3) We will utilize customer feedback in our business activities

We share the invaluable information and opinions received from our customers quickly throughout the Group to reflect that feedback in our corporate activities and the actions of our employees from improving products and services to strengthening risk management.

### (4) We will strive to provide information to the customers

We are promoting accurate indicators and easy to understand expressions for the labeling of our products, promotional materials and advertisements. We also work to enhance information on our websites for customers themselves to search for online in addition to the communication received through the Customer Center such as telephone calls, letters, and e-mails. We will offer information about quality in an easy to understand manner for the customers.

### (5) We will foster a culture and awareness among employees to take action from the viewpoint of customers

The Suntory Group will continue its Customer Satisfaction Cultivation Activities in our attempt to foster a corporate culture in which all of our employees keep the viewpoint of customers in mind in their work. We hold training programs for all employees, including those in divisions that have few opportunities to hear the views expressed directly by our customers.

■ Voluntary Declaration toward Consumer Orientation Activity Report

**Voluntary Declaration of Consumer-orientation Activity Report**  
> Report   
(FY2021)  
PDF file: 23.7MB



**Voluntary Declaration of Consumer-orientation Activity Report**  
> Report   
(FY2020)  
PDF file: 28.7MB



**Voluntary Declaration of Consumer-orientation Activity Report**  
> Report   
(FY2019)  
PDF file: 19.2MB



**Voluntary Declaration of Consumer-orientation Activity Report**  
> Report  
(FY2018)



**Voluntary Declaration of Consumer-orientation Activity Report**  
> Report  
(FY2017)



To Create Harmony with Customers and Partners: Products and Services

## Promotion of Group Quality Management

We are working to construct and promote a quality management system throughout the entire Group both in Japan and overseas.

### Our Philosophy Underpins Quality Assurance

The Suntory Group has always striven to better the quality of its products and services with a customer first approach since its founding. Every employee always endeavors to sustain and improve quality according to the Suntory Quality Policy of "All for the Quality", which clarifies our approach to quality, to earn even greater trust from customers.

Suntory Quality Policy

# All for the Quality\*

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**We offer products and services that meet or exceed relevant safety standards and will continue to respond to the desires of our consumers and customers and earn their trust.**

1. Each and every member of the Suntory Group wholeheartedly strives to offer products and services from the consumer's and customer's perspectives.
2. We strive to provide our consumers and customers with accurate information that is easy to understand. We earnestly listen to consumer and customer opinions and endeavor to reflect them in our products and services.
3. We abide by laws and regulations.
4. We place a very high priority on the safety of our products and services.
5. We continue to quest for even greater product quality by reference to recognized international quality standards.

\* "All for the Quality" is a slogan showing our basic philosophy to pursue product quality and safety. It should not be construed as our legal obligations or commitments.

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# SUNTORY

### Promotion of Quality Management

Following the acceleration of its own global development and expansion into new fields of business, the Suntory Group has been enhancing its Quality Management Systems as part of its Group Governance.

We installed the Quality Assurance Committee at Suntory Holdings Ltd. to promote quality management throughout the entire Group. This committee identifies quality risks and prevents trouble before it occurs in priority issues across the organization based on the Group quality strategy.

The Chief Quality Officer (CQO) of Suntory Holdings Ltd. plays a vital role in this process by strengthening the quality management capacities through holding meetings on product quality with each Group company.

### Comprehensively Identifying and Minimizing Potential Risks

We are continuing to move ahead with our efforts to carefully identify and minimize risks from serious crises such as violations of law, negative health impacts, and quality hazards, as well as potential risks that have not yet manifested themselves. Since 2006, we have been holding Weekly Risk Review Meetings to share internal and external quality risks that were identified during the week, and discuss the countermeasures for management and executive personnel from Production Research and other divisions. We also monitor changes in potential risks.

### Quality Assurance Activities at Group Restaurants

At each Group restaurant, we carry out thorough control regarding kitchen equipment, ingredient, food allergy, food labeling and so on.



Inspection of kitchen equipment

## ■ Topics

### Sharing and Expanding the Common Suntory MONOZUKURI Values (SMV) of the Suntory Group, nurtured since the foundation of the company

We believe that it is our duty to continually deliver high quality products with new value, safety and reliability, able to bring joy to consumers worldwide.

Thus, we are committed to producing high-quality, safe and reliable products that delight consumers across the globe. This promise is shared within the group through the Suntory's MONOZUKURI Manufacturing Values and Code of Conduct, which we have held dear and consistently delivered on since our founding.



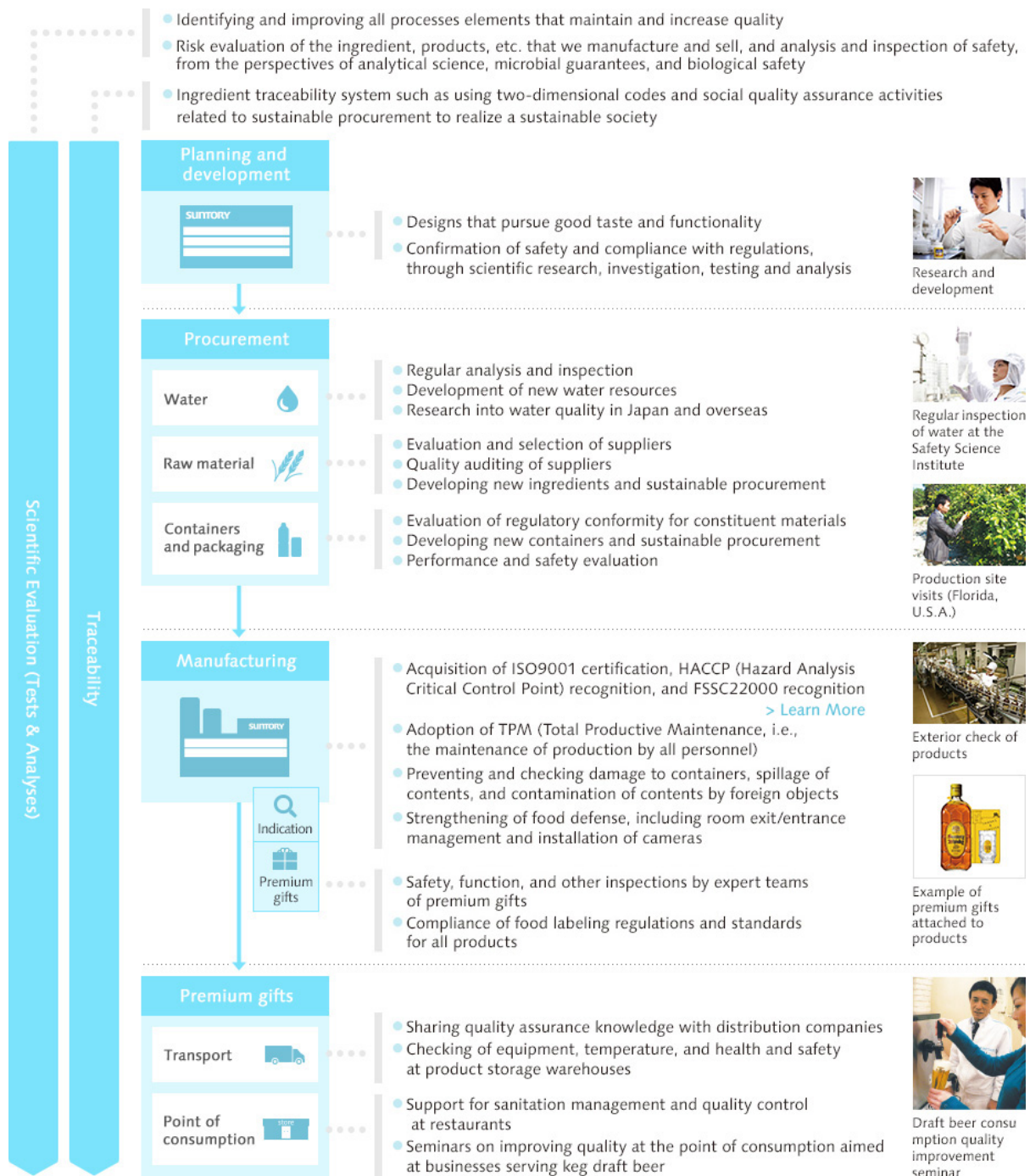
Online SMV workshop (left Europe, right Asia)

To Create Harmony with Customers and Partners: Products and Services

# Quality Assurance from a Customer Perspective in All Processes

Grounded in the Suntory Group Quality Policy, our employees are continually working to maintain and improve quality in all of our processes, from product planning and development to material procurement, manufacturing, distribution, sales, and services.

## Assuring Quality in All Processes



For details about initiatives for all processes, please see Suntory Group's Quality Initiatives.

To Create Harmony with Customers and Partners: Products and Services

## Appropriate Information Disclosure

The Suntory Group believes information should be available in an accurate and easy to understand way for the customers to ensure customers' confidence and trust in the products and services we provide. In doing so, information on quality assurance and related activities that we are engaged in should be disseminated through websites and other means.

### Accurate and Easy to Understand Labeling

In terms of product labeling, the Group Quality Division has established a system to check for legal compliance and appropriateness, and promotes accurate labeling and easy-to-understand expressions in collaboration with the relevant teams including development and production of each Group company.

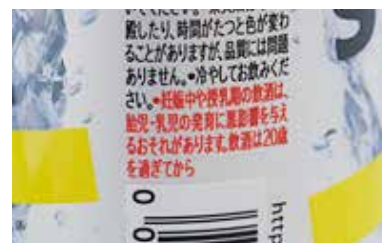
#### ■ Examples of Labeling on Products

##### Labeling example to prevent drinking alcohol by mistake

A mark that shows that this is an alcohol beverage is put on products to prevent people from mistaking low-alcohol beverages such as Ch-Hi for soft drinks. We also put a mark telling that "this is an alcohol beverage" on the lid of the can and in Braille on our major products.

##### Labeling examples to warn pregnant and nursing mothers

We also display "Drinking while pregnant or breastfeeding may be harmful to the development of unborn babies or infants" on products in order to evoke caution about alcohol in pregnant and nursing mothers.



Labeling to warn pregnant and nursing mothers

##### Allergen Labeling

Suntory has investigated raw materials and has confirmed whether or not they need to be indicated on products as allergenic. For our soft drinks, we not only comply 7 mandatory items required to put on the label by the food labeling law but also include 21 recommended items. Although alcoholic beverages are exempted from allergen labeling requirement, we voluntarily put allergen information on our low-alcohol beverages such as beer and Chu-Hi.

##### "Month/year" labeling for "Best by" dates

The best-by dates of soft drinks are generally indicated by a "date/month/year". In order to reduce the environmental impact of inventory management along with ease of understanding for customers, the Suntory Group is working to label products with the best-by date of one year or more as "month/year".

## Introducing our Safety Initiatives to the Customers

We are introducing various initiatives on Suntory's Commitment to Safety and Reliability website to accurately communicate our pursuit of safety and reliability to our customers. The information display is customized for both desktop computers and smartphones; furthermore, we provide information with consideration for our overseas customers.



Suntory Group's Quality Initiatives Website

As the business activities of the Suntory Group expand globally, we have been engaging in initiatives to improve information disclosure by advancing the design of global quality websites so that our earnest approach and activities toward quality that we have striven for in Japan up until now can be understood by our overseas customers. We will continue to provide information about safety and reliability so that customers can evaluate the activities of the Suntory Group.

## Voluntary Recalls

While we do our best to assure quality, we also disclose information appropriately and promptly when problems do arise. During the period from January 2021 until December 2021, there were no voluntary recalls for which company notices were published in newspapers. There were no recalls due to legal violation. During the same period, there were two instances of information labeling for products and services which violated appropriate regulations and our internal standards.



## To Create Harmony with Customers and Partners: Products and Services

# Communicating with Customers

Since our founding, we have been prioritizing customer satisfaction. We value regular communication with the customers and reflect their feedback in our corporate activities.

## Toward Customer Satisfaction

The Suntory Group values two-way communication with the customers in the belief it has held since its founding that customer satisfaction should be given top priority. In 1976, we opened the Consumer Department to handle inquiries from customer. The office now operates as the Consumer-Oriented Management Department of Suntory Communications Limited. We respond sincerely to the opinions and requests that we receive from the customers based on the Voluntary Declaration of Consumer Orientation. We are strengthening initiatives to more widely reflect this feedback in our corporate activities, including improvement and development of better products and services.

### ■ Basic Policy on Customer Satisfaction and Course of Action

We stipulated the Basic Policy on Customer Satisfaction in 1999 in order for each and every one of our employees to take action while always recognizing the goal of providing customer satisfaction. We formulated the Course of Action for our Customer Center in 2002 to be put into comprehensive practice by all of the Customer Center staff.



Customer Center

### Basic Policy on Customer Satisfaction

We strive to realize, maintain and improve customer satisfaction in every way through various activities to fulfill the responsibility as a member of the society. We value communication with the customers and provide safe and reliable products and services that bring joy to the customer and gain their trust, while providing information and implementing customer feedback to our business activities.

### Course of Action for Customer Center

1. We will respond to customer inquiries and complaints in a timely, accurate and sincere manner while being fair and just.
2. We will proactively provide reliable information that brings satisfaction to the customer.
3. We will incorporate feedback and requests of the society in the company.
4. We will comply with laws and our own standards to protect the rights of the customer.

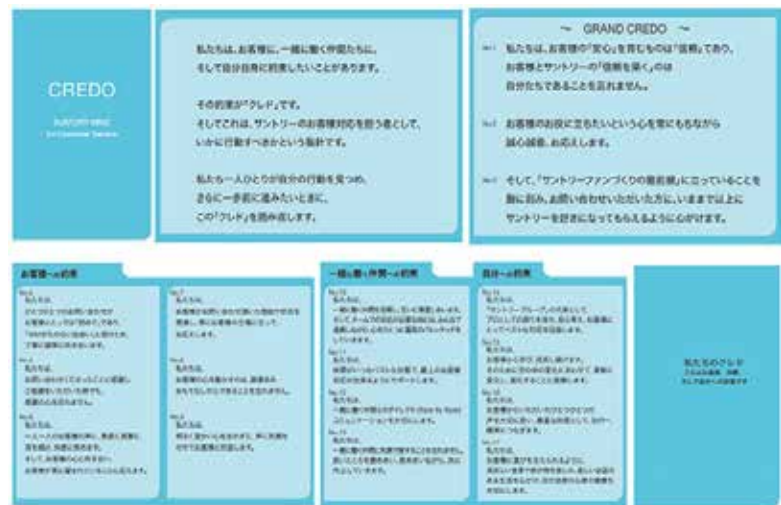
## Customer Response Standard

Suntory Holdings Ltd. and 12 Group companies\* have formulated a Course of Action that follow ISO10002 (JIS Q 10002) as a working mindset for acting according to the basic policy and course of action. We recognize the right of customers to make inquiries and complaints in these regulations, which are clarifying the active efforts and responsibility to respond to customers with the objective of maintaining and improving customer satisfaction through our corporate activities. In addition, we will formulate and thoroughly familiarize employees with standards and procedures based on this course of action.

\* Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Foods Okinawa Ltd., Suntory Products Ltd., Suntory Spirits Ltd., Okinawa Suntory Ltd., Suntory Business System Limited, Suntory System Technology Ltd. Suntory Global Innovation Center Ltd., Suntory Corporate Business Ltd. and Sunlive Co., Ltd., (as of July 2022)

## CREDO (SUNTORY MIND for Customer Service)

The CREDO (SUNTORY MIND for Customer Service) was formulated as a doctrine for customer service in 2013 to embed the basic policies and course for action in the hearts of each and every employee in their daily tasks. We created this CREDO with all the staff at the Customer Relations Division in an effort to cultivate a climate that nurtures activities able to satisfy the customer.



## Responding, Sharing and Utilizing Customer Feedback

Our Customer Center uses a proprietary information search system to respond quickly and accurately to customers so that those who make inquiries, etc. are not left waiting.

By recording the inquiry and our response in our core information management system upon receiving the inquiry, valuable information from the customers is shared immediately with relevant departments to enhance quality, improve risk management, etc.

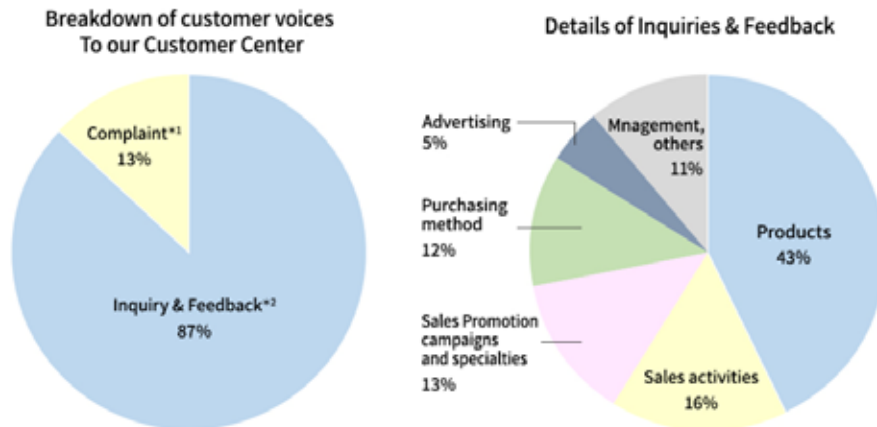
We periodically share the feedback we receive from the customers with relevant departments to strengthen our VOC activities\*<sup>1</sup> that reflect this feedback in our corporate activities and employees course for action, which includes improving our products and services and enhancing our provision of information.

\*1 VOC (Voice of Customer) activities: Activity to reflect customer feedback in management policy.

## Flow of Consumer information



■ Customer voices to our Customer Center (Results of 2021: Approx. 68,000)



\*1 Complaints: Includes expressions of dissatisfaction by customers about products or corporate activities

\*2 Inquiries and feedback: Includes a wide range of questions and opinions expressed by customers other than complaints

**90% of the Customers Will Continue to Use Our Products**

We send a "Voice Card (survey about services)" to inquire about the satisfaction of the customers who sent us complaints, after the matters of complaint were resolved. Feedback received is conveyed to the person who responded and also shared to the entire company through the Intranet for further improving the response to similar cases in the future. 91% of the customers who filled out the Voice Card told us they will continue to use our products in the future (2021 results).

■ Valuing Customer Feedback for Product Development

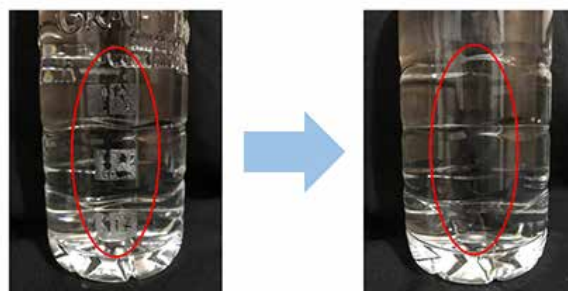
We are aiming to improve quality, product development and the provision of information through incorporating opinions and requests from the customers. Having a point of view of the customers is crucial in developing products that are safe and easy to use. We carefully listen to the feedback of the customers, and aim to provide kinder, gentler products to all people.

We listen to customer feedback carefully and use it to continuously improve our products and services. Customer feedback regarding products of other companies and products in other categories are shared with the development division to stimulate new findings from a wider perspective and make prior checks from the customer's point of view.

<Examples Utilizing Feedback in Products>

**Roll label on PET bottles now uses newly developed glue that makes the label easy to remove**

In response to our customer's feedback that pointed out that the label on PET bottles is difficult to remove and leaves glue residue, we have developed glue that makes it easier to remove the label while maintaining adhesive strength. The new glue will be used for a wide range of products.



A product with conventional glue

A product with the new glue

### Renewed bottle for lemon green tea "Ocha Dozo" withstands both heating and cooling

lemon green tea "Ocha Dozo" is popular for its PET bottle that is suitable for being served to visitors during the coronavirus pandemic. At the request of customers who want to heat the bottle up in cold months, we have upgraded the bottle that can be used for both cold and hot tea. To indicate the bottle can now withstand both heating and cooling, we have added a description saying it is delicious either hot or chilled.



### [BOSS Cafe Base] Reviving a graduated bottle

When we discontinued the scale that served as a guide for the amount of pouring so that customers could enjoy it at their preferred strength, we received requests from customers to bring it back as it was useful. We have therefore brought back the scale so that customers have an option to either pour freely or use scale as a guide.



### [All-Free] Placing "purine-free" information on the front of the can

Since the "purine-free" information was removed from the front of the can due to the renewal, we have received inquiries from customers asking why the "zero purine" information has been removed. In response to this, we put the "zero purine" information back on the front of the can.



**[Green tea "Iyemon"] Posting a notification on our website to inform customers of a deposit forming on the bottom of the bottle**

As we received inquiries about a sediment found on the bottom of the "Iyemon" bottle, we have placed a notification on our website to inform customers that matcha used for "Iyemon" is stone-milled and leaves a sediment on the bottom the bottle, which plays an important role in bringing out the true taste of green tea.



**[Maker's Mark] Posting on our website instructions on how to open red sealing wax**

In response to inquiries about how to open the red wax seal of "Maker's Mark," we have posted an explanation of how to open it on our website. In addition, a guide to the website is provided on the back label.



How to open a bottle

**[Horoyoi] Changing the design of "Iced Tea Sour" and "Cassis and Orange" to make it easier to distinguish between them**

At the request of our customers, we have revised the design to make it easy for customers to distinguish between "Iced Tea Sour" and "Cassis and Orange" at a glance.



## Expanding communication outlets: Use of Digital and Social Media tools

We work to enhance information on the Customer Center website leveraging videos and illustrations for customers who prefer to search for information online, in addition to the communication via telephone calls, letters, and e-mails. English inquiry form is also available to respond to inquiries from overseas customers. We have also established a dedicated social media account to actively support feedback from the customers.



Suntory Customer Center website (PC)



Suntory Customer Center website(Smartphone)



Suntory Customer Support Account

## Communicating Our Consumer Oriented Initiatives To Society

The Suntory Group actively communicates its Consumer oriented management philosophy and initiatives through various media and activities.

### ■ Voluntary Declaration of Consumer Orientation and Activity Report

In April 2017, we revised our consumer oriented philosophy and initiative policies passed down since the founding of Suntory to draw up and release Voluntary Declaration of Consumer orientation. The specific activities that we have undertaken based on the declaration are reported to society in the Voluntary Declaration of Consumer Orientation Activity Report. We were awarded the Commissioner award in January 2020 for the 2019 Award for good practices of consumer-oriented management hosted by the Consumer Affairs Agency.

As a company that discloses its Voluntary Declaration of Consumer Orientation, we have provided the declaration and content of activities on the Consumer Affairs Agency website.

### ■ Workshops for University Students

A workshop for learning about Consumer orientation is held annually for approximately 30 university students who will be working in the near future.

Through the work of learning about Suntory's Consumer oriented spirit and experiencing product development from a Consumer perspective, we are creating opportunities for each individual to think about being customer orientation and incorporating this mindset into practice.



Contents of the workshop



Participants in the workshop

Due to the COVID-19 pandemic, it was held online in 2020. Though held online, it was highly rated by participants in a questionnaire survey.

To Create Harmony with Customers and Partners: Products and Services

## Employees with Customer Oriented mindset

In order to promote Consumer oriented management, we conduct enlightenment activities for employees for nurturing Customer Oriented mindset.

### Continuing to Meet Consumers Expectations

We focus on Customer-oriented Enlightenment Activities and culture-building, with the aim that each employee will deepen his or her understanding of changes in customer attitudes and interests, and be capable of delivering products and services that exceed customer expectations.

#### ■ Overview of Internal Enlightenment Activities

##### Customer Oriented Spirit Cultivation

Initiative	Target	FY2021 results
Top commitment (Homepage/Video)	All employees	Held in May
Customer oriented spirit development seminar	All employees	Held from November to December
Customer oriented spirit mounth discussion at all departments	All departments	Held in May
Customer oriented spirit mounth leader program	All salea sites	Held year-round
Customer oriented spirit ambassador program	Developments with ambassadors	Held year-round
VOC monitoring by management	Executive	Held in March

##### Human Resource Development

Initiative(Suntary University)	Target	FY2021 results
New manager training Lecture about "What is customer-oriented decision making?"	New managers	Held in February and August
4th year training Customer experience program	4th year empliyes	Held from January to September
New employee training Lecture on basics of customer oriented spirit	New employees	Held in April

##### Enhancing VOC\* Contact Points

Initiative	Target	FY2021 results
Mounthly report	All employees	Once a mounth
Weekly report	Management Level	Once a week
Online seminars	All employees	Twice a year

\*VOC : Voice of Customer

## ■A series of online seminars

The social environment is changing drastically and what customers expect from companies is also changing constantly. Against this backdrop, we have launched a series of online seminars that look at customer feedback on various themes we set for the purpose of understanding the changing needs of customers and applying leanings to our customer-oriented thinking and acting in each of our business segments.

Through these seminars, we aim to further understand the customers' interest and the background behind the feedback we receive, and leverage this information to improve our customer-oriented mindset as well as to gain hints for our on the ground activities.



Webinar instructor

## ■Consumer Oriented Behavior Promotion (Nurturing of Work Ethics)

### Enlightenment Seminars for Suntory Group Employees

We hold the Customer Oriented Brush-up Seminar annually for all employees. Each employee listens to voices including the words of encouragement from Customers and is presented with examples of Customers oriented activities being undertaken at each site in the company to deepen a Customer oriented mindset and encourage action. In addition, seminars at each Group company nurture a Customer oriented mindset and action in all of the activities at the Suntory Group.



Top message



Video Introducing examples of customer-oriented activities

## ■Real-time Monitoring of Customer Calls by Management

Suntory provides a program for management to listen to calls from customers received by the customer center in real-time. Managers in charge of each department can hear the questions, concerns and opinions that customers have about Suntory products and services in daily life. This puts in place an opportunity to utilize all of this customer feedback to better address their needs.



Top management listening to customer feedback

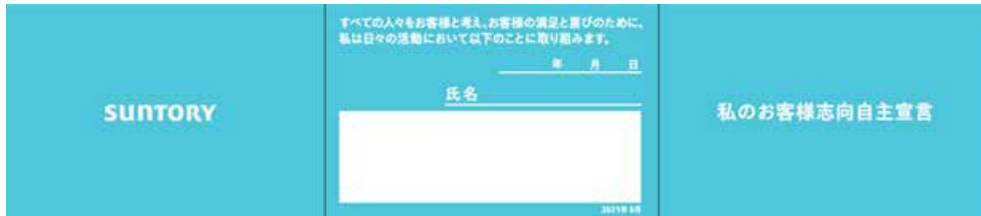




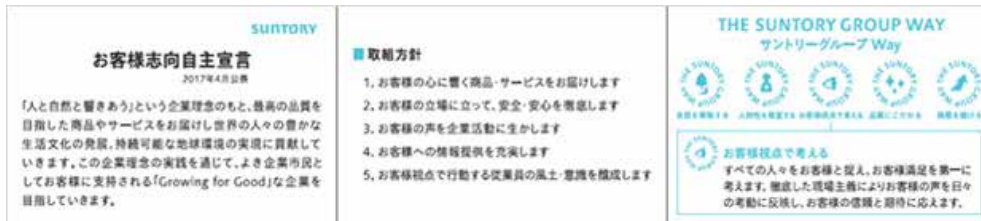
Senior managements listening to customer feedback

■ Customer Month - For Enhancing Suntory's Customer Oriented Spirit

Designating every May as Customer Appreciation Month, we all rethink what we can do for our customers. Each department discusses "who are their customers" and "what they can do with their customer-oriented approach." In addition, each employee writes down what he or she can do on their "My Voluntary Declaration Toward Consumer Orientation Cards."



Front side



Back side

## ■Assigning On-site Customer Relations Promotion Leaders

Beginning in 2018, we have assigned "Customer Relations Promotion Leaders" to play a central role in further penetrating and establishing customer orientation, particularly at sales offices that have many direct points of contact with customers. Currently, we are promoting customer-oriented behavior in all departments, including the partial start of assigning "Customer-oriented ambassadors" in addition to sales offices.



Participants reviewing activity goals and entire year



Session with management

## ■Talent Development at Every Level



As a part of our Talent development program Suntry University, we carry out training in line with the career path of each employee. At first, during new employee training, participants will learn about the Suntory Group's Customer oriented spirit that has been continuously passed down since its foundation. As mid-level employees, by listening to the voices of our customers in groups and discussing their thoughts and expectations, we learn about the importance of customer orientation. Employees who are being promoted to manager are practically taught important Customer oriented decision-making techniques such as through group discussions based on case studies.

## ■Enhancing Opportunities for Employees to Listen to Customers

We engage in activities to strengthen opportunities to share customer feedback with employees, even those who have less opportunities interacting with customers directly.

### Sharing Voices of Customers via Intranet and Email

We share customer opinions and requests widely within the company on a weekly and monthly basis via the intranet and e-mail, with the aim of having all employees respond to customer opinions about our products and corporate activities and link them to their own work and actions.

**Harmonics report 2022年2月号**

VOC月報<ハーモニクスレポート>は、お客様の声を全社で共有し、業務に役立てていただくとともに、一層お客様志向を高めていただくための月次レポートです。(VOC=voice of customer お客様の声) \*掲載内容は社外開示禁止です。



お客様の声	全ページを通して閲覧する	<b>臨時号 『パーフェクトサントリービール』 リニューアル新発売反響</b> > 「ブレンドしが認めない父親がパーフェクトサントリービールは美味しい言ってた。」
		<b>『BOSS』 × ザ・ドリフターズ</b> > 「ボス30周年おめでとう！！天国の長さんも志村さんも元気かな？」
		<b>『メーカーズマーク』 Thanks Label キャンペーン反響</b> > 「20年後、子供達が成人したら一緒にあげるウイスキーを購入。ラベルも変更。」
		<b>『カフェベース』 × 牛乳消費</b> > 「牛乳がたくさん余って酪農が困っているようです。カフェベースを牛乳で割って応援しましょう！」
		<b>1月号 サントリーの反響</b> > 「お客様からのお手紙交通、社内資料1,000枚上手に作ったとて、足元にも及びません。」
サントリーの 声		

Harmonics Report provided to employees via our intranet

To Create Harmony with Customers and Partners: Products and Services

## Sustainable Procurement

The Suntory Group is promoting sustainable procurement with our business partners to contribute to the realization of a sustainable society as a company that has signed the United Nations Global Compact.

### Basic Policy on Sustainable Procurement

In order to offer our customers high-quality products and services, at the Suntory Group we believe it is crucial to promote sustainability throughout our entire supply chain. This means to give due consideration to environment and society, as well as to safety and reliability.

In 2011, in order to promote sustainability, we established the Suntory Group's Basic Policy on the Sustainable Supply Chain that consists of six main pillars - legal compliance, human rights and labor standards, quality, environment, information security, and the coexistence with society - that address global issues such as child labor, forced labor, freedom of association and collective bargaining, working hours, the guarantee of minimum wages, etc. In order to promote sustainability, we are raising awareness and deepening understanding with our business partners.

In order to avoid that our purchasing practices affect negatively the human rights of our suppliers' workers, we agree on estimated lead times in advance with our suppliers, and share our payment terms in advance. We also implement the necessary mechanisms and procedures so that payments are executed on the timeframe agreed with the supplier.

Furthermore, if we assume that there is a high human rights risk in one particular ingredient, we review our purchasing practices and strive to reduce the risk. For example, in some of our business units we switch to sustainable-certified palm oil in order to minimize human rights and environmental risks.

#### The Suntory Group's Basic Policy on Supply Chain Sustainability (Established 2011)

In order to provide high-quality products and services safely and reliably based on our corporate philosophy of "To Create Harmony with People and Nature" and our Code of Business Ethics, the Suntory Group engages in fair business practices and, in collaboration with supply chain business partners, promotes procurement activities that take social responsibility into consideration, mindful of such issues as human rights, labor standards, and the environment.

We build good partnerships with our business partners and contribute toward realizing a truly affluent and sustainable society.

##### **1. Legal Compliance and Respect for International Standards of Conduct**

We will promote fair and equitable procurement activities that comply with each country's laws and respect international standards of conduct.

##### **2. Consideration for Human Rights, Labor, and Safety and Health**

We will promote supply chain CSR initiatives that respect basic human rights and are mindful of labor conditions and safety and health.

##### **3. Guaranteeing Quality and Safety**

Aligned with the Suntory Group Quality Policy, we will promote supply chain CSR initiatives that seek to guarantee a high level of quality and safety based on the optimal standards for quality, cost, and supply.

#### **4. Consideration for the Global Environment**

Aligned with the Basic Principles of Suntory Group's Environmental Policy, we will promote procurement activities mindful of the global environment.

#### **5. Preservation of Information Security**

Confidential information regarding procurement dealings and personal information will be strictly controlled.

#### **6. Coexistence with Society**

We will promote social contribution initiatives directed toward coexisting within society.

Furthermore, as stated in our Human Rights Policy, we require our suppliers to understand and comply with the ILO Tripartite declaration of principles concerning multinational enterprises and social policy and ILO Declaration on Fundamental Principles and Rights at Work. We expect compliance through the voluntary efforts of our suppliers, even if the ILO principles are not adequately protected by local law.

## **Promoting Sustainability Activities Throughout the Entire Supply Chain**

### **■ Organization**

In April 2021 we established the Procurement Development Department to further fulfill our corporate responsibility in climate change, environmental issues, human rights, and other social issues. From January 2022, this department was reorganized into the Supply Chain Excellence Department, which cooperates with the newly established Sustainability Management Division. With this new team, we strengthened long-term raw material procurement strategy, optimum procurement globally and sustainable procurement throughout the Group. We also hold a monthly meeting with overseas group companies to discuss overall strategy and progress regarding procurement, including sustainable procurement. Initiatives related to sustainable procurement are regularly discussed and reported to the Global Sustainability Committee, an advisory body of the Board of Directors.

### **■ Establishing Supplier Guidelines**

We established the Suntory Group Supplier Guidelines based on the Basic Policy on the Sustainable Supply Chain in June 2017 to contribute to the realization of a sustainable society while also accelerating sustainable procurement within the Suntory Group. These guidelines put in place specific compliance items required in each field from human rights and legal compliance to the environment for suppliers of Suntory in Japan and overseas to confirm the same ethical values are shared between the Suntory Group and its suppliers. Compliance with our human rights commitments is a prerequisite for engaging in a business relationship with suppliers, and we require signing our Code of Conduct/Supplier Guidelines to both new and current suppliers. If a serious law-breaking human rights violation is discovered and it is recognized that the supplier has no intention of improving even after communication, it may lead to the termination of the contract. In order to comply with our Supplier Guidelines, we are promoting joint efforts with suppliers, such as sharing those guidelines at supplier meetings or sharing related information through Sedex.

In addition, in terms of human rights commitments, we request suppliers to cascade down those commitments to their own suppliers.

## ■ Monitoring of Suppliers

### Risk Assessment

In order to promote risk assessment as a part of our human rights due diligence process, we have conducted a potential risk assessment in collaboration with Verisk Maplecroft, a global risk consulting company, for our major ingredients using general country and industry data. (major ingredients × country combinations for a total of 124 patterns)

#### Potential risk assessment results (overall\*):

Low risk:	21 items	17%
Mid risk:	58 items	47%
High risk:	37 items	30%
Very high risk:	8 items	6%

\* Covered human rights risks: child labor, forced labor, working hours, fair wage and welfare, discrimination, harassment, freedom of association and, right to collective bargaining, access to remedy, health, and safety

Of these, following were items that have very high risks and impact (have high sales volume) on child and forced labor.

Forced labor: coffee, oolong tea, ethanol, and sugar

Child labor: coffee and sugar

### Impact Assessment

The Suntory Group is working to promote activities for respecting human rights throughout the entire supply chain while linking to business partners by establishing the Basic Policy on Supply Chain Sustainability.

#### Impact Assessment by Sedex

We joined Sedex in June 2019, and since then we are engaging our suppliers to share information through Sedex by answering to the SAQ\*. These SAQs evaluate the potential social risks in the supply chain by focusing on child labor, forced labor and other human rights issues as well as considerations toward the work environment and occupational safety. As of November 2021, we have confirmed that over 1,000 manufacturing sites of approximately 650 major suppliers have joined the Sedex. We will continue to promote all major suppliers to join the Sedex. We will prioritize the strategy for each region based on the result of the risk assessment to formulate an action plan and promote corrective actions when needed.

\*SAQ:Self-Assessment Questionnaire

#### Impact Assessment Status

Suntory Group identifies potential and actualized risks using a risk assessment tool offered by Sedex. Specifically, we evaluate the ability to manage potential and actualized risks of the suppliers with SAQ. In addition, we also confirm actualized risks based on third-party audit information that can be checked on Sedex.

#### Potential Risks of Suppliers (As of April 2022)

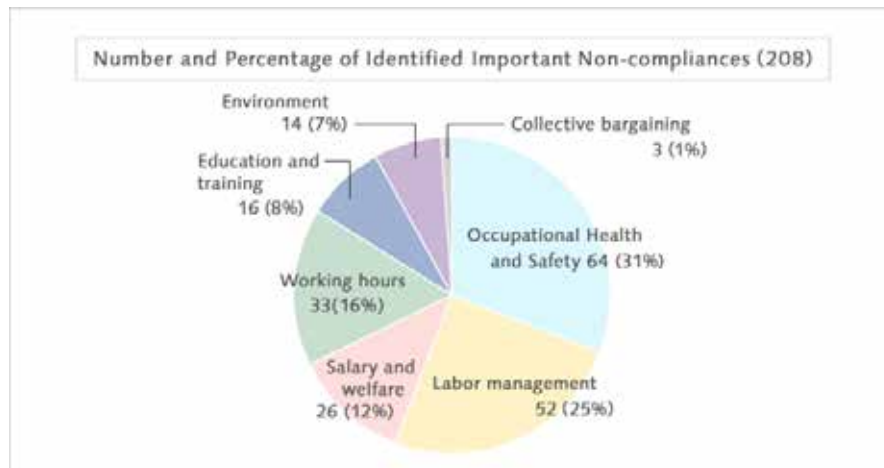
In the first half of 2022, we continued our risk assessments through Sedex, during which we obtained data for 1,094 manufacturing plants from suppliers worldwide (an increase of 26 from November 2021).

(Number of manufacturing sites/%)

	April 2022		Fluctuation	November 2021	
Low	245	22%	42	203	19%
Medium	636	58%	8	628	59%
High	73	7%	-9	82	8%
Waiting for answer	140	13%	-15	155	15%
Total	1094		26	1068	

## Actualized Risks of Suppliers (As of April 2022)

The total number of non-compliances identified was 208 (an increase of 28 from November 2021).



### Monitoring through Supplier Assessment Questionnaires

We also conduct sustainable procurement questionnaires targeting suppliers that have not joined Sedex. We examine not only our existing suppliers to identify those that are at high risk, but also assess potential new suppliers before we start business relationships.

In addition, the Suntory Group shares the Suntory Group Supplier Guidelines with our overseas Group companies and verifies initiatives toward sustainability at each company at the Global Procurement Conference in which our overseas Group companies participate.

## Corrective Action

As part of our efforts to promote corrective measures, if it becomes clear that Suntory Group business activities have directly caused negative impacts on human rights, or if indirect negative impact through business relations come to light or are suspected, the Suntory Group will take corrective measures (remedy) through dialogue with related parts, based on international standards and through appropriate procedures. Furthermore, we expect Suntory Group's suppliers to undertake corrective measures (remedy) as well. In order to implement corrective measures, we will also work with external organizations such as human rights experts (NPOs) and Sedex to engage suppliers regarding any issues discovered, and to work together on corrective steps.

### ■ Corrective Process (Remedy)

As stated in our Human Rights Policy, our key themes in human rights include child labor, forced labor, discrimination and harassment, freedom of association, and a good working environment (health and safety). We have identified numerous questions in the Sedex SAQ that relate to each of these key themes, and we use them for assessment and ongoing monitoring in our own plants and supply chain. We currently conduct continuous monitoring of our suppliers through Sedex, representing over 70% of our purchasing volume globally, and we strongly engage suppliers which we have been able to identify actualized risks. The monitoring process leverages also SMETA audit information on the supply chain, including interviews with local workers. In this way, we try to leverage the voices of rightholders.

Our remedy process using Sedex and SMETA information is as follows:

#### Cases of Potential Risk

1. Goal: to confirm that sufficient measures are taken toward avoiding potential risks.
2. Index: Sedex risk and management scores.
3. Timeframe: check the risk score and management capability score periodically (about once every six months), and confirm the status of the improvement activities of business partners.

## Cases of Actualized Risk

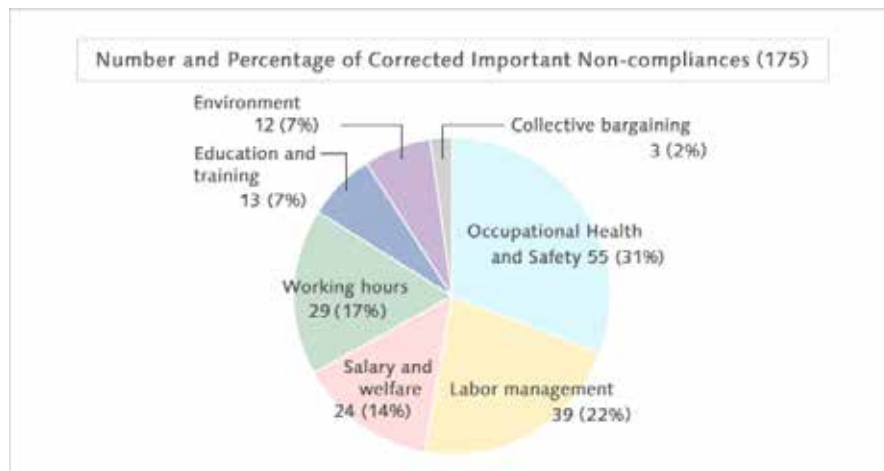
1. Goal: bring actualized risks down to zero.
2. Index: key findings of third-party audit.
3. Timeframe: confirm within 6 months that the identified issues have been resolved.

### Potential Risks of Suppliers (As of April 2022)

Regarding the above-mentioned potential risks that can be confirmed in Sedex, we also assess the management capability of our supplier's manufacturing sites in respect to the potential risks. Based on that, we engage manufacturing sites, in particular sites with "high risk + low management capability" and work together to improve their management capability. As a result, from the start of these engagements with the suppliers in January 2021 to the end of April 2022, there were 158 manufacturing sites with at least 10% up to 50% improvement in their management capability (18% of the total of sites), which is an increase of 41 manufacturing sites since the end of November 2021. Going forward, we will continue to engage our suppliers and promote improvement activities.

### Actualized Risks of Suppliers (As of April 2022)

We communicate directly with suppliers regarding issues identified in Sedex by third-party audits, and we check that these issues are corrected within six months of having been pointed out. Of a total of 208 important non-compliances specified as of the end of April 2022, we confirmed that 175 have been corrected. We will continue to engage with suppliers on the remaining non-compliances as we move ahead with remedial actions.



More specifically, we have reviewed all Sedex SAQ responses regarding the following key human rights themes, and identified data indicating potential risks. At the same time, we have reviewed the findings of SMETA audits, to be check whether any potential risks have been actualized. In those cases, we engaged our suppliers and confirmed the status of the corrective actions taken.

#### • Child Labor

We regard child labor as one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information. For example, we use the questions in Sedex to identify direct and indirect workers who may be considered underage workers (under 15). In addition, based on actual on-site audits conducted through SMETA, we confirmed that worker age verification is being performed properly, and corrective actions are being taken when issues become apparent.

A review of SAQ responses from approximately 1,000 manufacturing sites indicated that there was no child labor by those under the age of 15. At 5% of plants, there were workers of ages 16-17, which by itself is a legal working age on the countries where those workers were found. The findings of one SMETA audit also noted a 17-year-old worker, but we have confirmed that this was not a problem under local law.

4 instances of inadequate worker age records were also noted, but we have engaged the suppliers and confirmed that the recording methods have been corrected.



## • **Forced Labor**

We consider forced labor to be one of the key human rights risks in supply chains and are strengthening management of suppliers through Sedex and SMETA information.

### 1) Recruitment fees

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 1% of the respondents had no initiatives to address the burden of recruitment fees on workers. In addition, 3% of the respondents indicated that the workers bear costs in some form. Two SMETA audit also found non-compliances related to the burden of recruitment fees on workers, but we confirmed that this has already been addressed by revising the supplier's internal regulations. Similarly, there were three findings regarding wage reductions, but we confirmed that there were no deductions that were problematic under local law.

### 2) Wages

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 8% of the responses indicated possible issues with overtime pay.

The review also showed lack of visibility regarding indirect employees' minimum wage. SMETA audit findings also included 21 non-compliances related to wages and 25 non-compliances related to the management of overtime. We have engaged our suppliers and confirmed that currently there are no confirmed cases of uncorrected wage issues (the issues found had been solved).

### 3) Freedom of movement

No risk information regarding freedom of movement was found in the SAQ responses or the SMETA audit.

## • **Freedom of Association and Collective Bargaining**

We consider impediments to freedom of association and collective bargaining to be one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information to prevent infringement of these rights. For example, we leverage questions in Sedex to check the presence of labor unions, as well as processes and organizations in which workers can participate and have their participation reflected in decision-making by the supplier company. In addition, we confirm through SMETA audit data whether the rights to freedom of association and collective bargaining are being protected, and engage in corrective actions when issues become apparent and are uncorrected.

On the point of whether processes, organizations, and arrangements were in place for workers to use and reflect in company decision making, the SAQ data indicated that 12% of supplier manufacturing sites did not have these mechanisms in place. In addition, data from the SMETA audit included three findings related to freedom of association and collective bargaining, but we have confirmed that corrections have already been made.

## • **Health and Safety**

We regard health and safety to be one of the key human rights risks in supply chains, and we are strengthening management of our dealings with our suppliers through Sedex and SMETA information to promote their health and safety conditions. For example, we leverage questions in Sedex to check facts such as whether a health and safety policy is in place, whether there have been any serious work accidents, the numbers of participants in fire safety drills, and the supplier's existing efforts to enhance health and safety. We also analyze similar data through SMETA audits and engage in corrective actions when issues are apparent and uncorrected.

The SAQ data showed that 2% of production plants had more than 100 recorded accidents in the past 12 months, in which 1% reported more than 20 serious accidents. We will engage with these high-risk supplier manufacturing sites and work toward enhancing their occupational safety. Data from the SMETA audit also showed 64 non-compliances, with remedial actions having already been taken on 55 of them. We will continue to engage with suppliers on the remaining 9 issues for which corrective actions are still pending. Corrective actions for the health and safety risks found through the Sedex's SAQ answers and non-compliance by SMETA were shared with other suppliers to improve health and safety management.

#### • Land Rights

We are strengthening management of suppliers through Sedex information to identify human rights risks related to land rights. Specifically, we leverage questions in Sedex to determine whether the land on which a given supplier's production plant is sited was used as a residence before construction. The SAQ results showed that 1% of such land was used for residential buildings prior to conversion to an industrial site. We will engage with the suppliers to confirm whether there is a possibility that the conversion could have led to a violation of land rights.

#### • Water Access and Sanitation

We are strengthening management of suppliers through Sedex data to understand risks related to the water access and sanitation rights of local communities. For example, we leverage questions in Sedex to check various pollution risks (soil, rivers, etc.) from supplier operations, their water usage volumes, whether they manage wastewater, and management of water quality impacts on local areas. The SAQ results showed that 2% of the manufacturing plants were not managing quality of their wastewater. The SMETA audit data showed two non-compliances, one of which has already been corrected. For the other, we are working with the supplier to solve the issue.

#### • Women's Rights

We are strengthening management of suppliers through Sedex data to identify risks related to women's rights. For example, we leverage questions in Sedex to check the ratio of male to female workers, the ratio of female managers, whether anti-discrimination policies are in place, and rates of absenteeism and turnover among female workers. The SAQ data showed that 5% of manufacturing sites did not have separate washing facilities for men and women, 5% of manufacturing sites had a turnover rate among female workers of more than 50% during the previous year, and 2% of manufacturing sites had an absenteeism rate among female workers of more than 30% during the previous year. The data from the SMETA audits, however, did not confirm any non-compliance in this respect.

### ■ Measuring the Effectiveness of Actions Taken

We measure the effectiveness of our assessment and remediation efforts through Sedex at our plants and in our supply chain by measuring the degree of improvement across multiple risks (health and safety, worker age, discrimination, work based on free choice, etc.) before and after the execution of remediation efforts addressing the risks we have identified through the Sedex. In the case of Sedex assessment, there are items for which it is challenging to reduce the potential risk, but even if the potential risk is high, the risk can be controlled if the management capability is high. Based on this premise, we focus on improving management capability as we undertake corrective actions at our own plants and with our suppliers.

Furthermore, as part of the series of steps noted above, we provide feedback to stakeholders on the results of our effectiveness measurement, and carry out direct engagement that leads to further actions for improvement.

### ■ Action Plan

While taking into consideration the risks and other factors identified through the above process, we will implement the following priority initiatives as our action plan.

#### • Supply Chain

With regard to 1<sup>st</sup> tier suppliers, we will continue to promote the remedy of important non-compliances that have become apparent through Sedex, and will continue to encourage suppliers to improve their management capabilities with regard to potential risks. In addition, we will move forward with impact assessments for upstream suppliers in our main raw materials supply chain.

#### • Migrant Workers

We will identify sites other than our own plants where migrant workers (especially technical intern trainees) are present, and consider necessary steps depending on the degree to which the significant risk of forced labor is present.

## Access to Remedy

### ■ External Reporting System

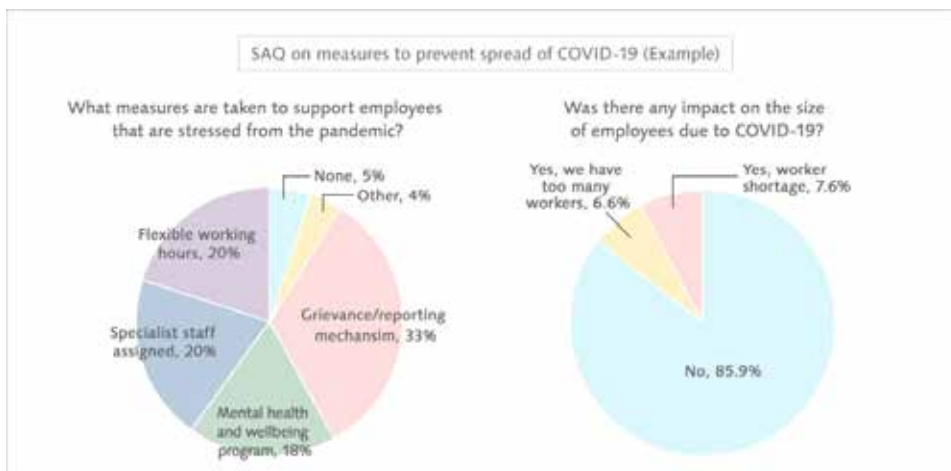
Since its founding, the Suntory Group has placed customer satisfaction first and valued proactive communication with customers. In addition, based on our belief that all our stakeholders are customers, suppliers are also regarded as important customers. Therefore, when promoting human rights due diligence, we think it is important that not only our employees, but also our direct suppliers, their own suppliers, as well as other related parties (their local community, etc.) have access to a grievance mechanism, including human rights issues.

Furthermore, as stated in our supplier guidelines, we expect suppliers to establish similar grievance mechanisms (with no retaliation) within their own supply chain, thereby striving to promote access to remedy upstream in our supply chain. Currently, we have established a Customer Center as a contact point for suppliers and their related parties (communities) to use. The Customer Center accepts inquiries from all customers.

For human rights issues and other inquiries from suppliers, please contact us using the form below (English/Japanese available)

### Evaluating the Impact of COVID-19 Pandemic in the Supply Chain

Suntory Group evaluates the impact of the COVID-19 pandemic on suppliers in each region to ensure safety. In 2020, we evaluated the impact using a special module on Sedex SAQ related to Covid-19 impact to confirm the current risks and measures implemented by suppliers. We received answers from approximately 800 manufacturing sites gaining more visibility on the current impact within our supply chain.



We confirm the situation of the suppliers through this SAQ and direct communication and offer masks and support implementation of measures.

## Contract Farms to promote High-quality and Stable Supply

The Suntory Group procures a portion of its coffee beans, from the "Fazenda Bau" farm, which is a specialty coffee farm in Minas Gerais, Brazil, as we aim for the highest quality and sustainable supply of coffee beans. Fazenda Bau has acquired international certifications from organizations that include the Rainforest Alliance\*<sup>1</sup> and UTZ\*<sup>2</sup>, and they are highly praised for their thorough quality management and workplace environment.



Fazenda Bau has been engaging in a wide range of activities to promote sustainability, turning their attention to labor practices and the labor environment, conducting efforts such as courses on the health and safety of employees, as well as courses about motivation and human relationships in the workplace, among other initiatives. Environmental conservation activities such as separating trash and comprehensive management of the water intake as well as tree planting initiatives show their awareness regarding their impact on the environment. In addition, the Fazenda Bau have been engaging in a support project at a neighboring school since 2011 with the purpose of contributing to the local community.



Radio exercises



Separating Trash



Education at School

\*1 Rainforest Alliance: International non-profit organization established with purpose of preserving the global environment through protecting the rainforests in 1987.

\*2 UTZ: International certification program for sustainable agriculture. Certification is only give to those that fulfill all standards in appropriate farming practices and farm maintenance, safe and healthy labor conditions, abolition of child labor, etc.

## Supporting Sustainable Agriculture of Blackcurrant Farmers

Suntory Beverage & Food Great Britain and Ireland manufactures and sells Ribena, a soft drink loved by many in Europe and other regions. As 90% of the blackcurrant used for Ribena is grown in the UK, SBF GB&I began supporting sustainable agriculture of blackcurrant farmers in UK from 2004. SBF GB&I employs agronomists, that directly advice farmers and design biodiversity plans according to the biological habitat of each farm and surrounding area to protect the ecosystem of rivers and wetlands. We also conduct research on new species of blackcurrant that are resilient to climate change. In July 2020, a new variety of blackcurrant that is more resilient to climate change named Ben Lawers blackcurrant was harvested. This was a result of a long-term joint research with the James Hutton Institute, a research institute for agriculture.

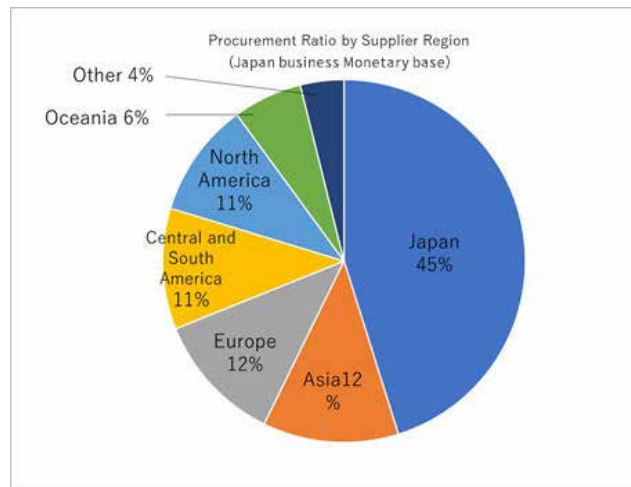


Blackcurrant harvested for Ribena

The Suntory Group promotes sustainability throughout the supply chain in order to bring safe and reliable products to customers now and into the future.

## ■ Procurement Ratio by Supplier Region

Suntory Group are purchasing raw materials from the suppliers in the regions below. We promote the sustainability of raw materials in cooperation with our suppliers.



In addition, in order to increase transparency in the supply chain, from a basic purchasing practice perspective, we have formal contracts with all 1st tier suppliers and obtain basic information about those suppliers. Additionally, we try to obtain information on 2nd tier and beyond suppliers via the 1st tier supplier when possible, and carry out on-site visits of those 2nd tier and beyond suppliers.

## Improving Cooperation with Business Partners

The Suntory Group strives to promote sustainable procurement together with all of its business partners in the supply chain. We are promoting better awareness and support so that the necessity of sustainability initiatives is understood through education for our company representatives and policy briefings and questionnaires for our ingredient suppliers, manufacturing outsourcers, logistic affiliates, and other primary business partners. In addition, Suntory Group participates in the Consumer Goods Forum Japan\*, which promotes distribution networks of consumer goods across the industry, to reduce the environmental impact of the Suntory supply chain.

\*The Consumer Goods Forum Japan is an organization primarily made up of companies in the consumer goods distribution industry that engages in cooperative manufacturing, distribution and sales efforts to address common challenges in non-competitive industries in Japan.

## Promoting Green Procurement

Suntory Group has established Suntory Group Green Procurement Standard (revised 2011) based on the Suntory Group's Basic Policy on Supply Chain Sustainability and promotes procurement activities to lower environmental impact in corporation with each business partner.

Currently 80% of the plants we have transactions with have acquired International Standard ISO14001 and environmental responsiveness are improving. Also, Packaging Material Development Department is implementing a comprehensive evaluation of green procurement based on business partner evaluation standards in the Green Procurement Guideline to determine that environmental initiatives are advancing.

To Create Harmony with Customers and Partners: Products and Services

## Just and Fair Transactions

We base our relationship with raw material suppliers on just evaluations, selection and fair competitive opportunities.

### Rigorously Engaging in Fair and Equitable Business Practices with Suppliers

In our dealings with suppliers, we provide each company with an opportunity for equitable competition in keeping with our Purchasing Control Regulations and our Business Partner Selection Standards, based on the Suntory Group's Basic Policy on Supply Chain Sustainability. At the same time, we fairly evaluate efforts regarding the quality and supply capabilities of the products and services, financial status, assured safety, environmental conservation, and social contribution of each company, when we select new suppliers or determine whether to continue business with our existing business partners.

By joining forces with our business partners as mutually reliable partners, we aim to provide products and services that delight our customers.

#### ■ Bookkeeping System that Corresponds to the Subcontract Act

Suntory Group operates a bookkeeping system that corresponds to the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), enforced by the government of Japan. The system prevents troubles such as payments delay through displaying warning on the administrator screen when payment process is not carried out according to the information such as payment conditions entered at the ordering of raw materials or packaging. There was no transaction of raw material or packaging that violated the Subcontract Act in 2021.\*

\*The number of business partners targeted by the subcontract Act is 49 for the Purchasing Department (about 12% of the transaction fee) as of December 2021 and 112 companies for the Packaging Material Development Department (about 11% of the transaction fee) as of December 2021.

To Create Harmony with Customers and Partners: Products and Services

## Promoting Distribution Considering Safety

We are promoting environmental distribution that is safe and considers the environment in cooperation with distribution affiliates.

### Cooperating with Distribution Affiliates

As of the end of 2021, the Safety Committee, which grew out of our connection to our distribution affiliates, to which we outsource the distribution of our products had 317 members from 76 companies. The Committee promotes initiatives in such areas as safety assurance, environmental concerns, and risk management.

#### ■Enhancing Safety at Partner Companies

The Safety Committee has published Five Principles for Distribution Safety. We ensure that all employees at each company are aware of these principles. Additionally, the committee's administrative bureau\* visits the sites of each company and inspects the state of their safety measures.

#### Five Principles for Distribution Safety

Principle 1: Compliance with legal speed limits and defensive driving

2. Proper packaging of transported goods and prohibition of careless driving (sudden stopping, sudden acceleration)
3. Idling stop and use of tire stoppers
4. Wearing helmets and safety shoes, implementation of 5S (Sort, Straighten, Shine, Standardize, Sustain)
5. Observing signing, pointing and calling checks and safety check

\*The bureau is made up of managers and operators from the Distribution Service & Ordering Department of Suntory MONOZUKURI Expert Ltd., and the Safety Department of Suntory Logistics Ltd.



Safety Committee poster

#### ■The Safety Committee's Joint Activities

Each year, we hold a Safety Promotion conference attended by representatives from 156 sites nationwide including storage facilities and transportation-related offices of distribution affiliates as well as the Suntory Group's distribution centers. The conference is used to promote safety at each company by sharing information on outstanding initiatives, providing thorough safety education through study groups and contests, and by presenting awards to safe drivers and sites.



Safety Promotion conference



Receiving an award at the Safety Promotion conference



Discussion at the Safety Promotion Conference

## Promoting Safety Management

We are pursuing certifications under the Top Safety Site Program led by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Our goal in doing this is to maintain a minimum standard in the safety management organizations of our distribution affiliates at all times and continually improve these systems.

Of the 963 logistics partner companies in the Suntory Group, 507 of them had already obtained certification as of the end of 2021, and 197 are scheduled to obtain certification in 2022, bringing the acquisition rate to 73%. In 2008, we expanded the scope of certification from direct contractors to include secondary affiliates, and we strive to enhance safety management in dispatching and transport.

## Preparing for Disasters and Emergencies

We have created a project with our distribution affiliates in order to respond to disasters and emergencies. The project includes drills for effectively utilizing the "171" emergency hotline and the mobile-phone-based "Disaster Message Board." We have created an action plan for an earthquake with an epicenter directly below the Tokyo and Kinki metropolitan areas. This plan includes arranging for emergency shipments of mineral water Suntory Tennensui to affected areas from sites other than the ones that would normally serve them and designating alternative shipping sites when regular shipping sites are damaged. These are some of the common measures we share with our distribution affiliates.



To Create Harmony with Customers and Partners: Products and Services

## Reducing Harmful Drinking

As a company dedicated to the responsible manufacturing and sale of alcoholic beverages, we play an active role in addressing the issues around alcohol-related harms.

### "DRINK SMART" approach by the Suntory Group

Harmful use of alcohol can impact not only the individual's health, both physical and mental, but also harm to others including family, workplace and community through a variety of social issues.

Reducing alcohol misuse is one of the global health targets established by the World Health Organization. In Japan, Ministry of Health, Labour and Welfare adopted the "Basic Plan for Promotion of Measures against Alcohol-related Harm" in 2016 to prevent and reduce alcohol-related harms, including alcohol use disorder, putting them as a national priority.

To have a proper knowledge of alcohol and to live a healthier and richer life by getting along well with alcohol. - this is our "DRINK SMART" goal.

Reducing the harmful use of alcohol is an important issue for society.

The Suntory Group is actively promoting responsible marketing practices and "DRINK SMART" activities to raise moderate drinking awareness.

#### Responsible Consumption - Suntory Group's Principle and Course of Action

##### Basic Principle

Suntory Group strives to prevent misuse of alcohol and raise awareness of responsible consumption thus contributing to healthier lifestyles:

1. We recognize the intoxicating effects of alcohol and its potential for misuse, which can lead to various physical, mental and social issues, and we strive to prevent alcohol-related harms.
2. We strive to create a culture of responsible consumption in which differences in physical constitution and conditions, as well as drinking styles or attitudes towards alcohol, are respected. We understand and respect that for some people, the best choice is not to consume alcohol.
3. We recognize that responsible consumption can support a well-balanced lifestyle and that it can play a positive role in social occasions; we strive to promote responsible consumption whenever alcohol is consumed.

##### Course of Action

1. We are committed to responsible marketing, providing consumer information and responsible product innovation.
2. We actively cooperate in social activities, including but not limited to;
  - Eliminating under 20 drinking
  - Eliminating binge drinking
  - Eliminating drunk driving
3. We will comply with laws and industry standards.

## Our Commitment to Address These Issues

In 1976, Suntory Group established the Suntory Advertising Code, making it an industry leader in exercising self-regulation in its promotions and advertisements related to alcoholic beverages. We subsequently established the ARS\*<sup>1</sup> Committee and the Global ARS Department in 1991 to address alcohol-related problems. We focus on (1) responsible marketing, (2) promotion of moderate drinking. In 2021, we declared the New DRINK SMART COMMITMENT\*<sup>2</sup> toward Suntory Group employees in Japan. We designated every November as Suntory Group ARS Month and strengthen our initiatives.

\*1 ARS is an abbreviation of Alcohol Responsibility and Sustainability. As a company that manufactures and sells alcoholic beverages, it is our responsibility to proactively address alcohol-related problems.

\*2 The DRINK SMART COMMITMENT was declared in 2018. The new COMMITMENT was declared in light of the changes in the environment surrounding alcohol since then. It consists of two tenets: "All Suntorians have the correct knowledge about alcohol and will drink in a respectful and considerate manner." and "All Suntorians recognize that we are a member of the world's leading liquor company group, and we will promote responsible drinking as we regard others as valued customers."

### ■ 1. Practice responsible marketing

#### Responsible Marketing:

The Global ARS Department reviews all marketing activity for products containing alcohol prior to launch. In 2006, we systematized pre-screening for product labeling, etc. In 2007, we revised our internal standards for advertising and sales promotion activities for alcoholic beverages to further strengthen our activities. Since 2007, we have continued to promote responsible marketing activities by updating our standards in cooperation with industry associations and by conducting regular training sessions in relevant departments.

#### Continuous Enhancement of Marketing Standards (Industry / Internal)

We support and continuously enhance self-regulatory marketing standards in partnership with the Council on Alcohol Consumption, as well as follow our own internal marketing code to correspond with societal trends. We introduced warnings for pregnant and nursing mothers in all communications beginning in 2010. We also ceased TV ads between 5:00 am and 6:00 pm.

Based on the "Alcohol Health Disorder Countermeasures Basic Law" enacted in 2014, we are taking independent measures to prevent the abuse of alcohol such as setting the age of celebrities appearing in TV ads to 25 and older, and removing the sound effect of "gulp" when drinks go down the throat.

#### 1. Promoting Non-alcoholic Drinks

The Suntory Group is striving to promote low- and non-alcoholic beverages to respond to a broad range of consumer interests and occasions.

We established the same internal marketing standards on these products as beverage alcohol products in order to ensure that all marketing activity is directed only to legal drinking age adults in each region.

We will continue to introduce products to meet the needs of health-conscious consumers, including zero-calorie, sugar-free, and purine-free products.

#### Suntory Group's Non-alcoholic Drinks



All-Free  
(Non-alcoholic Beer-like Beverage)



Non-aru-kibun  
(Non-Alcoholic Cocktails)

## 2.Warning Labels on Package

All our beverage alcohol products carry health warning messages to pregnant and nursing women and warning messages to stop under 20 drinking, based on the voluntary standards established by the alcohol industry. We also put "お酒"- Beverage Alcohol symbols on beer and ready-to-drink beverages that are low in alcohol to prevent accidental consumption.



## 3.Establishing Age Verification Gates to Alcohol Brand Website

Since 2015, we have used age gates to confirm visitors to our alcohol brand websites are at least 20 years of age, the legal drinking age in Japan.







## 4.Conducting Seminars for Sales Representatives and Marketing Staffs

The Global ARS department conducts seminars for sales representatives and marketing staffs to deepen the knowledge on the industry's voluntary code of conduct and Suntory's own marketing code. The seminar provides them with the necessary viewpoints ranging from product development to sales promotion through case studies.

### ■2.Activities to raise awareness of responsible drinking

#### Raising Awareness of Responsible Drinking among Employees

As a member of a company that manufactures and sells alcoholic beverages, it is important to be aware of responsible drinking at all times. We clearly state in our employment regulation that any employee who drinks and drives during or outside the working hours will be dismissed under instruction.

 <p>Moderate Drinking Awareness Program for Group employees in Japan</p> <p>We conduct an e-learning program to raise awareness on knowledge necessary for employees of a corporate group that manufactures and sells alcohol beverages, such as the mechanism of intoxication and differences due to genetics and physical constitution.</p>	 <p>Alcohol Metabolism Genetic Testing</p> <p>We offer alcohol metabolism genetic testing to all employees for their consideration for others and to deepen understanding of moderate drinking.</p>	 <p>Drink Smart Ambassadors</p> <p>We encourage our employees to be a "Drink Smart Ambassador" who conducts Drink Smart Seminars for our customers and third parties.</p>	 <p>Intracompany Website on Global ARS</p> <p>Every employee can access information regarding responsible consumption, as well as our voluntary standards, examples of responsible marketing, and seminar tools.</p>
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In addition, we also raise awareness of moderate drinking among employees through educational movies on alcohol-related problems for sales representatives, and "Drink in Moderation Campaign" posters.

## Raising Awareness of Responsible Consumption Among Consumers

We are committed to providing customers and consumers with information about alcohol so that they can make informed choices about alcohol and consume in moderation.

We provide the alcohol content information (in grams) of our major brands sold in Japan on our website, as one of new steps.

In addition, we have started labelling the amount of pure alcohol in grams per containers from February 2022 (canned beer, RTD and wine that are manufactured in Japan).

**ザ・プレミアム・モルツ**



深れだす華やかな香りと深いコクが特長のプレミアムビールです。日々醸造を重ねる中で条件を細かく絞り込み、製法を追求することで、心地よい後味に磨きをかけ、さらに上質な余韻を感じていただけるように仕上げました。

[ブランドサイト](#)

容量 350ml JANコード 4901777302204

賞味期間 9ヶ月

※2025年1月より希望小売価格の表示は行っておりません。

容器・サイズ 500ml缶 250ml缶 500ml瓶 334ml瓶

原材料	麦芽 (外国産又は国内産)、ホップ
アルコール度数	5.5%
純アルコール量 (350mlあたり)	14.0g

成分・特性	エネルギー (100mlあたり)	たんぱく質 (100mlあたり)	脂質 (100mlあたり)	炭水化物 (100mlあたり)	糖類 (100mlあたり)	食塩相当量 (100mlあたり)	プリン体 (100mlあたり)
エネルギー	47kcal	0.4~0.6g	0g	0.5~1.0g	0g	0~0.02g	約11.6mg
たんぱく質							
脂質							
炭水化物							
糖類							
食塩相当量							
プリン体							

純アルコール量は、以下の計算式に基づき記載しています。  
純アルコール量(g) = 容量(ml) × アルコール分(%) / 100 × 0.8

※ 成分・特性について

[ビール・発泡酒・新ジャンルの栄養成分一覧](#)

## こだわり酒場のレモンサワー 〈追い足しレモン〉






栄養成分表示(100mlあたり)	
エネルギー	32kcal
たんぱく質	0g
脂質	0g
炭水化物	0.5~1.0g
糖類	0g
食塩相当量	0.14~0.24g
プリン体	0mg**
*g/100ml(食品表示基準による)	
**100mlあたりプリン体0.5mg未満	
純アルコール量:14.0g(350mlあたり)	

## Suntory receives multiple awards for its activities to raise awareness of responsible drinking

Our programs to promote responsible consumption have been recognized by key industry groups including the Award for Excellence in Independent Advertising for our moderation advertising campaign. In 2018, we received the Company BtoC Website Award for Excellence at the 6th Web Grand Prix sponsored by the Web Advertising Bureau of the Japan Advertisers Association, Inc. for our DRINK SMART advertising on our website. In addition, we received the Newspaper Advertisement Award at the 38th Newspaper Advertising Prize event for our poster with ways to decline invitations to drink, and days to go without alcohol using soccer vocabulary and humorous illustrations.

### Responsible Consumption Campaigns by Suntory

#### ・Responsible Drinking

 <p>We have been advertising "Drink in Moderation" in national newspapers since 1986, to communicate responsible consumption through humor.</p>	 <p>On Suntory's website, we feature DRINK SMART to promote moderate consumption for the healthier and well balanced lifestyle by understanding the facts about alcohol and enjoying it responsibly.</p>	 <p>We conduct "Drink Smart Seminars" to provide the facts about alcohol and individual differences, such as how gender, height, weight and ethnicity can affect of alcohol metabolism. We also released "DRINK SMART MOVIE" for responsible drinking.</p>
 <p>Two "DRINK SMART Short Film" (15 seconds each)</p>	 <p>A new DRINK SMART RAP video was launched for the purpose of promoting responsible drinking mainly targeting the 20s and 30s. MC KANZO (Liver) warns against binge drinking, forced drinking, and annoying drinking.</p>	

•Recommend Drinking in Moderation



Raising awareness about drinking in moderation with humorous illustrations and witty approach to decline invitations to drink on non-drinking days advertisement.



Original digital comic book on the weekend of three women enjoying alcohol beverages responsibly.

•Prevent the Abuse of Alcohol



Educational movie to prevent under 20 drinking






In response to young people's interests, we produced and distributed a comic book for young people who are at least 20 years old to learn how to drink responsibly. We also conduct seminars at universities.



No Binge Drinking! Campaign, collaborated with NGOs - Council for the Prevention of Binge Drinking.

## Responsible Drinking Initiatives by the Beverage Alcohol Producers Associations in Japan

 <p>We engage in the STOP! under 20 Drinking Campaign twice a year primarily on public transportation advertisements.</p>	 <p>Railway station posters to alert platform accidents by intoxicated passengers - collaboration with JR West</p>	 <p>We are providing information to prevent at-risk women from using alcohol irresponsibly.</p>
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We also have been putting health warning messages on our products, advertisement, and POP materials to prevent consumption of alcohol when pregnant.

## Global Initiatives to Reduce Alcohol Issues

The World Health Organization (WHO) adopted the Global Strategy to Reduce Harmful Use of Alcohol in 2010. Reduction of harmful effects of alcohol is one of the goals of the action plan for NCD (non-communicable diseases/lifestyle-related diseases) prevention established in 2013 as well as one of the UN SDGs (Sustainable Development Goals) in the health field established in 2015, and it is positioned as one of the global problems that must be addressed through cooperation with national governments, specialists from public health organizations, and other related parties. The manufactures of alcohol beverages are regarded as important stakeholders in these efforts.

The Suntory Group is participating in the IARD organization (<http://www.iard.org/>) that makes efforts to promote responsible drinking internationally to respond to these alcohol-related issues. Since 2013, we have been working to promote the Industry Commitment for Reducing Harmful Use of Alcohol which involves major alcohol beverage manufacturers from around the world.

The progress of the Industry Commitment is published as a Progress Report after annual audits by an auditor.

The Suntory Group has established a company section dedicated to reducing harmful use of alcohol, regularly holds Global ARS Committee meetings, and consolidates global marketing regulations under the mid-to-long-term vision in order to realize responsible marketing activities on a global level and raise awareness of responsible drinking.

The Suntory Group Drink Smart® global program is expanding priorities such as preventing underage drinking and drunk driving, as well as raising awareness of drinking in moderation and consideration for people that choose not to drink, and promotes responsible decision making through its proprietary platform.

## About the IARD

The IARD (International Alliance for Responsible Drinking) is a non-profit organization headquartered in Washington D.C. in which 13 of the major alcoholic beverage manufacturers from around the world participate.

Suntory Group has participated in the IARD since its establishment as Beam Suntory and has also been deeply involved in the formulation of the Industry Commitment for Reducing Harmful Use of Alcohol, an effort by the alcoholic beverage industry in response to the World Health Organization's Global Strategy to Reduce Harmful Use of Alcohol (adopted in 2010).

The Industry Commitment for Reducing Harmful Use of Alcohol promoted five initiatives over a five-year period starting in 2013.

- (1) Reduction of alcohol consumption by minors
- (2) Development and strengthening of industry voluntary standards on expression of drinking
- (3) Responsible product development and disclosure of information to consumers
- (4) Drunk driving reduction
- (5) Strengthening of collaboration with the retail field

Commitment related progress reports and evaluations are conducted by third parties and reported annually in the form of a progress report. Suntory Group's efforts in major markets including Japan and the United States have been reported and evaluated, including the distribution of educational materials for parents and children to prevent under 20 drinking in Japan and education programs for drunk driving offenders in conjunction with traffic courts in the United States. These efforts unique to Suntory as well as collaborative efforts with liquor associations in various countries have been highly praised.

In addition, an IARD CEO meeting is held annually during which serious discussions take place on matters that the liquor industry should tackle over the medium-to-long term and on a global level.



IARD-CEO meeting (2019)



Progress Report



Joint Declaration of digital media (2018),  
Trend report of underage drinking (2019)



## **Beam Suntory's Commitments to Consumers "Consumer Positive"**

Beam Suntory promotes proper drinking awareness through its DRINK SMART® program. To further elevate the commitment to reducing harmful drinking and empowering consumers to make the right choices for them, we are progressing goals that include:

- Investing \$500 million to promote responsible decisions and positively impact behavior by significantly expanding responsibility-led brand communications, elevating the Drink Smart platform, and supporting evidence-based partner programs.
- The company aims to engage more than 300 million consumers by 2030 with messages and tools designed to promote responsible decisions and reduce harmful drinking.
- Enabling expanded choices by developing, introducing and investing in awareness of low- or no-ABV products in key categories, including whiskey, tequila, gin, vodka and ready-to-drink, by 2030.
- Providing nutrition and alcohol content information on packaging or online for 100 percent of products by 2030.

## **Beam Suntory's Activities to Raise Awareness of Responsible Drinking**

### **1) Reducing Drunk Driving**

DWI Courts

Beam Suntory is a lead supporter of America's National Center for DWI Courts, designed to get hardcore offenders who are most likely to repeat the treatment they need in an evidence-based program.

### **2) Reducing High-risk Drinking in University**

Building Resilience in Campus Communities (BRICC) Coalition

BRICC works to reduce high-risk drinking at individual, group, organization and community levels at the University of Louisville and University of Kentucky.

To Create Harmony with Customers and Partners: Products and Services

## Measures for Healthy and Comfortable Lifestyles

We believe that as a consumer-oriented company, it is important to support the pursuit of a balanced lifestyle both in body and mind. Our consumers have different needs and preferences at different life stages, and through our diverse business activities, the Suntory Group will support consumer wellness at each of those stages. By offering choice in products, services and experiences through our soft drinks, health foods, alcohol and other businesses, as well as by innovating in relevant fields, we will support the wellbeing and balanced lifestyles of our consumers.

### Suntory Beverage & Food

In order to support the healthy lifestyles of our consumers, Suntory Beverage & Food will pursue various consumer-centric initiatives in line with the following Health Policy.

#### Health Policy

1. In order to satisfy the health needs of consumers worldwide, we will continue to expand our portfolio of products which satisfy your taste buds, body and mind, as well as provide services to contribute to healthy and positive lifestyles.
2. We will perform research that contributes to the health of consumers and will develop more natural, healthy products for world by using the expertise we have cultivated in Japan over many years in developing beverages which are sugar-free, low-sugar, and fortified for better health.
3. We will base labeling and communication on the guidelines from government agencies and industry groups in each country and region, and will endeavor to make it easier for consumers to select healthy beverages.
4. We will contribute to solving global health issues through joint research with external specialized institutions and through other communication with various stakeholders.

#### ■ Developing Food for Specified Health Uses Based on Research

Suntory currently offers a variety of products known as food for specified health uses (FOSHU\*) due to their positive health benefits. This portfolio lineup includes Black Oolong Tea OTPP, which was developed based on research results to apply prevention of fat absorption in polymerized polyphenols of oolong tea characteristics; Suntory Goma Mugicha (Barley Tea), which is suitable for people with high blood pressure; Pepsi Special, which prevents fat absorption; and Tokucha (FOSHU Iyemon), which is the world's first drink to clarify the lipolytic action of quercetin glycoside. Our portfolio also includes other products which contribute to our consumers' well-being, such as Iyemon Plus, Functional beverage which has the ability to lower bad cholesterol (LDL). For all of our products, we pay special attention to taste, and we will continue conducting product research and development to ensure that products both taste good and are good for you.



\*Foods for Specified Health Uses

## ■ Expanding Our Lineup of Products that are Healthy for the Mind and Body

For decades the expansion of the world beverage market has been driven by consumer demand for drinks, especially carbonated products, which contain large amounts of sugar. In recent years, there has been an accelerating shift in demand toward healthier and more natural drinks. Utilizing knowledge gained through many years of research in Japan regarding the development of low- and no-sugar beverages (such as tea and water), we are developing new beverages that are healthy for the mind and body.



In Vietnam we released Tea+ Oolong Tea, an oolong tea with Oolong Tea Polymerized Polyphenols (OTPP) that reduce fat absorption and mitigate the raise of neutral fat in blood, and in Indonesia we released MYTEA Oolong Tea. Both of these products have been received positively by consumers. We have also released a low-sugar iced tea called MayTea in Europe. MayTea comes in a variety of flavors and was developed using Suntory's expertise in tea products.

In addition to beverages, we also offer health foods. Under the BRAND's umbrella, we offer the much-loved Essence of Chicken supplement drink in Thailand and other Asian countries. Essence of Chicken is an all-natural extract made of fine quality chicken without artificial chemicals or preservatives.

## ■ Initiatives on Low- and No-Sugar Products

Suntory Beverage & Food is developing products that contain amounts as minimal as possible of sugar, artificial coloring, and artificial flavoring. In Europe, we have set a target to reduce the use of sugar in all our products by 35% by 2025 compared to 2015. We have already made progress toward this goal, and as the end of 2021, we have succeeded in reducing the amount of sugar used in our products by 23% compared to 2015. As well as re-formulating our drinks to lower the sugar content we are also putting investment behind our lower-calorie brand such as Lucozade Zero in the UK.



Across all European Export and Commercial Markets, the amount of sugar added to our beverages was reduced by 6% in 2021.

In the UK and Ireland we've reduced sugar across our core drink range by 57%, removing 25,000 tonnes of sugar and 98BN calories through a far-reaching reformulation programme. We've been bold with our decisions on our most famous drinks, introducing a zero or low-calorie alternative for each one of them.

In 2021, the total reduction of sugar was - 24% compared to 2006 on Oasis in France, without using sweeteners. All the recipes of the brand are renovated with less sugar and no sweetener while still retaining a delicious taste that consumers know and love!

In Spain we have managed to reduce the sugar in our drinks by 42% (vs 2015) and we have also introduced low calorie Schweppes Lemon, Orange, Pink, Ginger Ale, and recently/in 2022 also Agrum and Tonic Lemon

In Oceania, we aim to increase the portion of our portfolio that is low- and no-sugar to 1/3 by 2030. As a road map for achieving the goal, we will promote 1) Lower sugar through innovation, leveraging Suntory Group relationship 2) Introduce greater choice through new products, 3) Continue to introduce smaller pack sizes. As of 2020, 20% of the drinks including energy drink V have become low, or contain no sugar.

## ■ Reducing Artificial Coloring and Flavors

We focus on developing products that use a minimal amount of artificial colorings and flavors. In Europe, we have set a target to remove artificial colour and flavors by 2025. In France, our product Oasis was renewed to a recipe which uses less sugar and only 100% natural ingredients. In UK, Lucozade Revive is made from natural fruit flavors and does not use any artificial coloring.

In Indonesia, our product Good Mood is a popular low sugar beverage made from natural fruit extracts and does not include any preservatives, synthetic coloring, or synthetic sweeteners.



## ■ Appropriate Information Disclosure

Suntory Group strives to offer information related to safety and reliability to the customers in an appropriate and timely manner. We also indicate information on product labels, commercials, and ads in a way that is clear and avoid misunderstanding. Furthermore, Suntory Group's Code of Business Ethics stipulates that we must conduct responsible marketing as a corporate group that offers diverse products and services.

We promote the display of accurate product information in a way that is accessible and easily understood by consumers. In order to ensure the accuracy of product information, we collaborate with the related divisions in charge of development and production, and also confirm the compliancy and accuracy of disclosed information through our Quality Assurance Division.

In Japan, Suntory conducts thorough reviews of raw ingredients used in our products in order to display energy, carbohydrates, and sodium chloride (salt equivalent) as well as confirm the need for allergen labeling. We are sure to include not just the 7 items required by law to be shown on our labels, but the 20 items recommended to be displayed.

In Oceania, adapting the Health Star Rating\* food labeling scheme for the customers to make choices on which product to choose.

\*Health Star Rating System...A front-of-pack labeling system that ranks and labels packaged food's overall nutrition profile from half a star to five stars.

## ■ Responsible Marketing

In Suntory Beverage & Food Europe, we participate in UNESDA's\* responsible marketing in schools program.

We have become a founding signatory of the new EU Code of Conduct on Responsible Food Business and Marketing Practices in 2021. Our commitments towards reformulation of our drinks, food waste reduction and the creation of sustainable packaging fully support the EU's objective to place healthier products on the market and to support the transition towards a circular economy.

The UK has created its own voluntary marketing code to ensure that responsible corporate citizenship is at the heart of everything we do. This includes our commitment not to directly market products categorised as high in fat, sugar and salt ("HFSS") to consumers who are under the age of 16, and under the age of 18 in Ireland.

In France, we volunteered in 2009 to not communicate on screens and in magazines aimed specifically at children under the age of 12-year-old. Since 2013, our commitments go further because we prohibit all advertising in generalist programmes where children constitute more than 35% of the audience.

In Spain, our code of marketing practice specifically states that we do not advertise to children under 12 years of age or sponsor events aimed at children in schools. We also convey messages in all our advertising campaigns promoting healthy lifestyle habits.

In Oceania, we are ensuring our marketing activities are responsible and do not actively target children. Also we partnered with New Zealand government as part of the Healthy Kids Industry Pledge. We directly sell only water to primary and intermediate schools in New Zealand.

\*UNESDA = Union of EU (European Union) Soft Drinks Associations

## ■Proposal of Healthier Lifestyle

In accordance with our aim to be a company which promotes consumer well-being, in 2018 we launched the "100 Year Life Project" in Japan. This project supports consumers in their efforts to achieve healthy and positive lifestyles in line with their own goals. We also promote joint research with external experts; research and development to strengthen our portfolio of beverages that address lifestyle diseases; programs to improve lifestyle habits; and other initiatives.

In Europe, we published the Moving on Health and Wellbeing report and are promoting various initiatives such as: providing active lifestyle programs to approximately one million people; reducing the amount of sugar used in our major brands by half; engaging with employees to develop more effective health programs in the office; and promoting the physical and mental wellbeing of all employees in the workplace.

## Suntory Wellness

Suntory Wellness Ltd. was launched as a company that runs the Suntory Group's health and wellness business. Suntory Wellness Ltd. is committed to contributing to the realization of a "healthy, beautiful, and mindful life - a wellness lifestyle.

### ■Sesamin- From Unraveling Function to the Launch of Health Food Product

Sesame is often said to be good for one's health, and we took on the challenge of analyzing its specific benefits. In particular, we performed scientific analysis on the health benefits of sesamin, a minor component of sesame lignan present in sesame. As a result of our research, we were able to launch our first health supplement in product in 1993.

Thereafter, we released Sesamin EX—a more potent version of the initial supplement comprised of a combination with vitamin E, tocotrienol, and Oriza Plus, a component derived from brown rice.

Suntory Wellness Ltd. also sells a wide range of other health foods.

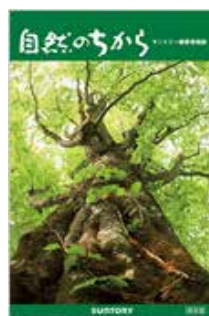


## Promoting Communication with Customers

We are delivering a wide-range of information to customers through our website and booklets.



Suntory Global Innovation Center website



Health information booklet



Healthy Drink NAVI website



Suntory Wellness Online website

## To Create Harmony with Customers and Partners: Products and Services

**Suntory Group's ARS Initiatives and Goals**

Under the banner of "DRINK SMART", the Suntory Group has been leading the industry by actively addressing the alcohol-related problems. We will continue to engage in the initiatives to raise awareness of responsible drinking for the consumers and also for the employees in Japan.

Themes	SDGs	Indicators	Targets
Raising awareness of responsible drinking	3.5 3.6	●Reach out to consumers in Japan with messages of "Drink in Moderation" (by the end of 2024)	100 million people in total
		●Provide alcohol content information on the packaging (sequentially from February 2022 onward)	Domestically produced beers, RTDs*, wines in cans
		●Intensify development and sales of non/low-alcohol products in Japan	In major categories
		●Employees to participate in programs aimed at raising awareness of responsible drinking (by the end of 2022)	All Group employees in Japan

\*Abbreviation for "Ready to Drink." Pre-mixed alcohol beverages such as canned chu-hi, canned cocktails, and canned highballs.

## ■ External Initiatives

### 1. Strengthen "Drink in Moderation" Campaigns and Deliver Seminars

The Suntory Group has been a pioneer in the industry to promote responsible drinking through the "Drink in Moderation" campaigns in national newspapers since 1986. We aim to reach out a total of 100 million consumers in Japan, conveying messages on responsible drinking by the end of 2024 by strengthening the "Drink in Moderation" advertisements utilizing the social media in addition to the national newspapers. We also convey the "Drink Smart Seminars" for our clients on the facts about alcohol and importance to enjoy it responsibly.

### 2. Providing the Content of Pure Alcohol on the Packaging of Canned Products

From February 2022 onward, we will label the content of pure alcohol sequentially in grams per container on canned products (beers, RTDs, and wines) manufactured in Japan.

### 3. Intensify Development and Sales of Non/Low-Alcohol Products

The market for non/low-alcohol beverages is expanding due to diversification of consumers drinking behaviors influenced by the COVID-19. We are going to continue to lead this growing market, by further improving the quality of our existing products and developing the new product lineup.

## ■ Internal Initiatives

The Suntory Group launched the Suntory Advertising Code in 1976, making it an industry leader in conducting self-regulation on its promotions and advertisement for alcohol. We subsequently established the ARP\*<sup>1</sup> Department dedicated to promoting moderate drinking and to ensuring responsible marketing in 1991. In 2017, it developed and evolved its function and was renamed to the ARS\*<sup>2</sup> Department, and then into the Global ARS Department in 2020. Recently, the New DRINK SMART COMMITMENT\*<sup>3</sup> was declared toward the group employees in Japan, designating every November as the Suntory Group ARS Month to intensify our ARS initiatives.

### 4.E-Learning Programs for Responsible Drinking and Responsible Marketing

We conduct an e-learning program to raise awareness on responsible drinking and responsible marketing for all group employees in Japan by December 2022. Alcohol metabolism genetic test will be provided for all employees willing to the program. We expect participants to learn about their own genetic type and encouraging those around them to drink responsibly, understanding that people have different tolerance levels on alcohol.

### 5.Study Sessions on Alcohol-Related Problems for Executives

Suntory Holdings executives is going to be provided with regular opportunities to learn about the alcohol-related problems and responsibility of an alcohol beverage producer. Through this initiative, we aim to secure a solid foundation for sustainable ARS initiatives by raising awareness of the executives.

### 6.Study Sessions on Alcohol-Related Problems for Sales Representatives

Study sessions on the alcohol-related problems is going to be conducted for the sales representatives as they have frequent customer interactions. In these sessions, participants are given the knowledge on responsible marketing of alcohol, including sales and promotion.

\*1 ARP is an abbreviation of Alcohol Related Problems.

\*2 ARS is an abbreviation of Alcohol Responsibility and Sustainability. As a company that manufactures and sells alcoholic beverages, it is our responsibility to proactively address alcohol-related problems.

\*3 The DRINK SMART COMMITMENT was issued in 2018. The new Commitment was declared in light of the changes in the environment surrounding alcohol since then. It consists of two tenets: "All Suntorians have the correct knowledge about alcohol and will drink in a respectful and considerate manner." and "All Suntorians recognize that we are a member of the world's leading liquor company group, and we will promote responsible drinking as we regard others as valued customers."

Sustainability Initiatives

# To Create Harmony with Nature Environment

Suntory Group business is supported by precious global resources such as water and agricultural products. It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with our mission — To Create Harmony with People and Nature — so that we may pass down a rich global environment to future generations. We have established our Environmental Vision toward 2050 and set Environmental Targets toward 2030 based on corporate tagline "Mizu To Ikiru." Suntory Group commits to the promotion of environmental management based on two axes: preservation and regeneration of natural environment and reduction of environmental impact. That is the reason why the entire Group promotes environmental management.



**Environmental Management**

We promote environmental management in the entire Group to pass down natural environment, our important source of business, to the next generation.

**Water Sustainability**

Committed to biodiversity preservation, we are engaging in various activities to preserve and regenerate the natural environment based on the corporate mission To Create Harmony with People and Nature.

**Initiatives toward a zero carbon society**

We are committed to promoting various initiatives to reduce environmental impact through the entire value chain.

**Contribution to a recycling-oriented society**

To build a recycling-oriented society, we will promote problem-solving efforts together with various stakeholders.

**Environmental Communication**

Suntory Group values communication with the stakeholders and communicates information related to Suntory's spirit of "Coexisting with Nature" to the society.



To Create Harmony with Nature: Environment

# Environmental Management

We promote environmental management in the entire Group to pass down natural environment, our important source of business, to the next generation.

Environmental Vision



Business Activities and  
Environmental Impact



Environmental Management



Environmental Education for  
Employees



## Environmental Management

# Environmental Vision

The natural environment is an essential foundation for our business. Suntory Group promotes environmental management and actively engages in activities to pass down a sustainable society to the next generation.

## Basic Stance on Group's Environmental Activity

The circular system consisting from plants and forests nurtured by water, rivers, oceans, atmosphere, and the ecosystem made by living things are the basis of all life.

As a company that delivers the blessings of water and nature to our customers, we believe that protecting beautiful and clean water with healthy ecosystems, using them appropriately, and replenishing to nature is a great responsibility.

Ingraining this concept in every part of the Group, Suntory strives to build a prosperous and sustainable society by preserving and regenerating the natural environment and reducing environmental impact.

### ■ Suntory Group's Environmental Principles

Suntory Group sets principles that clearly indicate our prioritized environmental initiatives such as achieving water security, conserving and regenerating biodiverse ecosystems, promoting a circular economy and transitioning to a net zero carbon society (established 1997, revised 2022.) To achieve a vibrant global environment, we are championing the transformation to a sustainable society by collaborating with our stakeholders, deepening dialogues with local communities, and transparently disclosing our progress.

#### Suntory Group's Environmental Principles

At Suntory Group, environmental management is at the core of our business strategy.

In our commitment to cultivating a sustainable and vibrant society now and in the future, these environmental principles inform the actions we take each day across our entire value chain.

##### 1. Achieving water security

Water is the most vital resource for our business. At Suntory, we aim to become net water positive by using water carefully and localizing water stewardship to contribute to nature's healthy water cycle.

##### 2. Conserving and regenerating biodiverse ecosystems

Thriving water and agricultural systems are crucial to our business. We strive to protect and regenerate biodiversity through local water source conservation and sustainable agricultural practices.

##### 3. Promoting a circular economy

To effectively reduce waste and efficiently utilize limited resources, we imbed sustainable principles throughout the lifecycle of our products, promote the 3Rs (reduce, reuse, recycle) for all raw materials, use renewable resources when available, and collaborate with stakeholders to build a fundamentally circular system.

##### 4. Transitioning to a net zero-carbon society

In the face of climate change, we are doing our part to achieve a net-zero carbon society by reducing greenhouse gas emissions across our value chain.

##### 5. Engaging with society

To achieve a vibrant global environment, we are championing the transformation to a sustainable society by collaborating with our stakeholders, deepening dialogues with local communities, and transparently disclosing our progress.

## ■ Environmental Vision toward 2050 and Environmental Targets toward 2030

The Suntory Group established the Environmental Vision toward 2050 and Environmental Targets toward 2030 to provide clear direction to our environmental management. As we engage in greater efforts to address global issues and work toward the realization of a sustainable society, In April 2021 we revised the greenhouse gas (GHG) reduction targets in the Environmental Targets toward 2030, and in December 2021, we revised our water targets.

### Environmental Vision toward 2050

The Suntory Group has formulated the vision below toward 2050 for the purpose of passing down a sustainable global environment to the next generation around the pillars of water sustainability and climate change measures as a company in harmony with people and nature.

#### 1. Water Sustainability

- Reduce the water intensity\*<sup>1</sup> of production at our owned plants\*<sup>2</sup> by 50%\*<sup>3</sup> globally.
- Replenish more than 100% of water used at all of our owned plants\*<sup>2</sup> globally through conservation of the surrounding ecosystem.
- Achieve sustainable water use for all key ingredients.
- Share the Sustainable Water Philosophy to the communities where our business operates

#### 2. Climate Change Measures

- Aim for net zero greenhouse gas emissions across the whole value chain by 2050  
Continue to promote energy conservation, proactively implement renewable energy solutions, utilize next-generation infrastructure options and work together with stakeholders across the value chain in order to contribute to realizing a decarbonized society

\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production

\*2 Owned plants that manufactures finished products and excludes plants for packaging and ingredients

\*3 Reduction of water intensity of production based on 2015 baseline

### Environmental Targets toward 2030

We have set the following Environmental Targets toward 2030 to achieve the Environmental Vision toward 2050.

#### 1. Water

##### Reduction of water used in direct operation

Reduce the water intensity\*<sup>1</sup> of production at our owned plants\*<sup>2</sup> by 35%\*<sup>3</sup> globally. In addition, explore reduction of absolute amount of water withdrawn in highly water stressed areas

##### Water replenishment

Replenish more than 100% of water used in at least 50% of our owned plants\*<sup>2</sup> globally, including all those in highly water stressed areas, through local water source conservation efforts.

##### Sustainable water use in raw ingredients

Collaborate with suppliers to improve water-use efficiency in the production of water-intensive key ingredients\*<sup>4</sup> in highly water stressed areas.

##### Water education and access to safe water

Expand water education programs and initiatives to provide safe water access for more than 1 million people.

#### 2. Greenhouse gas (GHG)

- Reduce GHG emissions from our direct operations by 50%\*<sup>5</sup>
- Reduce GHG emissions across our entire value chain by 30%\*<sup>5</sup>

\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production

\*2 Owned plants that manufactures finished products and excludes plants for packaging and ingredients

\*3 Reduction of water intensity of production based on 2015 baseline year

\*4 Coffee, barley, grapes

\*5 Based on emissions in 2019

## ■ Accelerating Efforts to Reduce GHG Emissions by 50% by 2030

Suntory group will aim to achieve 100% renewable electricity in the group's 63 directly-owned manufacturing sites and R&D facilities in Japan, the Americas and Europe by 2022\*1.

From April 2022, the company have purchase 100% renewable electricity for all 30 directly owned manufacturing sites and R&D facilities in Japan.

This will amount to a reduction equivalent to approximately 150,000 metric tons of greenhouse gas (GHG) emissions per year\*2, which will greatly contribute to meeting the company's 2030 goal of halving GHG emissions in its direct operations\*3. In addition, the company have started introducing internal carbon pricing to its group companies in 2021 and plans to invest a total of approximately 100 billion JPY (equivalent to approximately 900 million USD\*4) by 2030 to shift to low-carbon alternatives.

The company estimates that these actions together will amount to a reduction of approximately 1 million tons of greenhouse gas (GHG) emissions in its direct operations compared to a business-as-usual projection for 2030.

\*1 For its alcohol and non-alcohol beverage business

\*2 Based on 2020 emissions level

\*3 Total reduction versus 2019 baseline in scopes 1 and 2

\*4 Exchange rate 1 USD = 110 JPY as of June 2021

## ■ SBT Initiative Certification

The Suntory Group has signed the "Business Ambition for 1.5°C", a campaign led by the Science Based Targets initiative\*1 in partnership with the UN Global Compact and the We Mean Business\*2 coalition to hold global temperature increases to 1.5°C above pre-industrial levels.

The Suntory Group has had its emissions reduction targets approved by the Science Based Targets initiative as consistent with levels required to meet the goals of the Paris Agreement.

The targets covering greenhouse gas emissions from Suntory group's operations (scopes 1 and 2) are consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. Suntory Group's target for the emissions from its value chain (scope 3) meet the SBTi's criteria for ambitious value chain goals, meaning they are in line with current best practice.



\*1 The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It drives ambitious climate action in the private sector by enabling companies to set science-based emissions reduction targets.

\*2 We Mean Business is a global nonprofit coalition working with the world's most influential businesses to take action on climate change. Together they catalyze business leadership to drive policy ambition and accelerate the transition to a zero-carbon economy.

## ■ Declaration of Approval of Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

The Suntory Group has declared its approval of Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The TCFD was established by the Financial Stability Board (FSB).



In addition, we conducted scenario analysis for climate change according to the recommendations of the TCFD and learned about the possibility that climate change will have a significant impact on the crops that are ingredients important to the Suntory Group. From here on, we will further advance scenario analysis and expand disclosure of information related to the risks and opportunities that climate change poses to business.

Environmental Management

# Business Activities and Environmental Impact

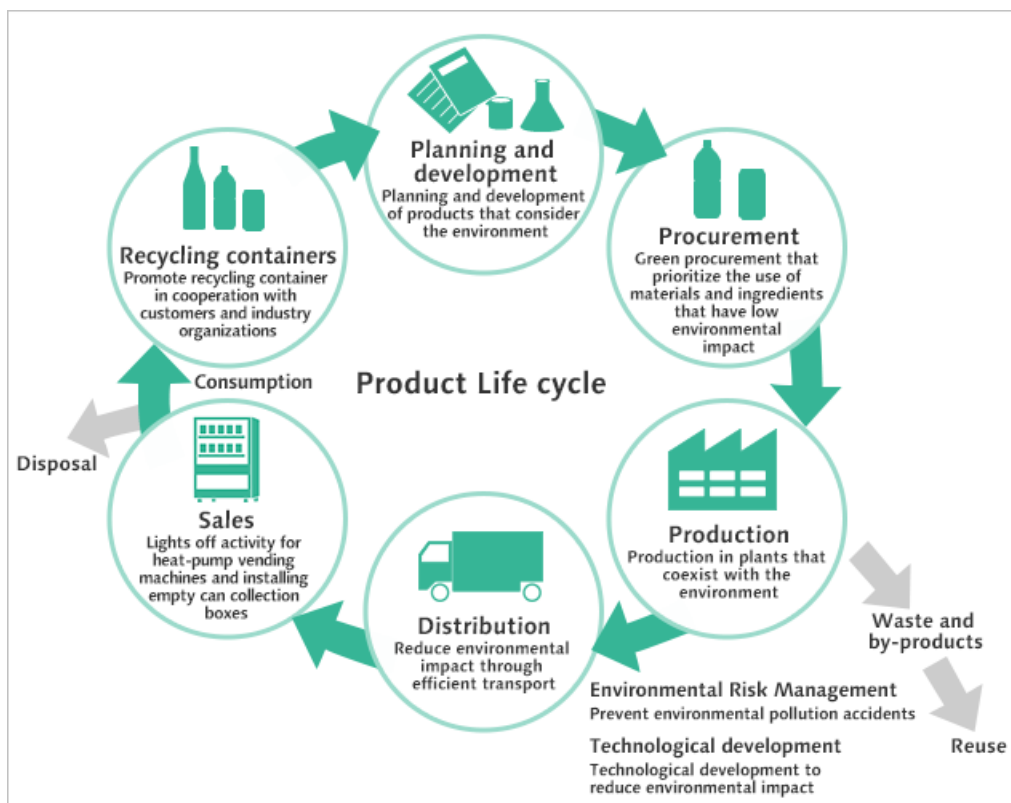
We are engaging in activities to reduce environmental impact in the entire product life cycle.

## Reducing Environmental Impact in the Entire Product Life Cycle

Suntory Group generates various by-products and waste from a wide range of business activities. We are committed to reducing environmental impact by quantitatively understanding our impact on the environment throughout a product's life cycle - from planning to development to disposal and recycling.

In addition, following the expansion of business overseas, we assess the environmental impact of overseas production sites to determine the environmental impact on a global scale. Suntory actively communicates with the suppliers throughout the entire supply chain.

### ■ Product Life cycle



## ■ Assessing Water Risk

The Suntory Group commits to water sustainability as a priority initiatives in the Basic Principles of Suntory Group's Environmental Policy. Suntory conducts various water assessments at the Institute for Water Science. To carry out business in a sustainable way, we conduct water risk assessment and promote environmental management. We also conduct water risk assessment when entering new businesses.

### WRI Aqueduct Water Risk Assessment by Suntory Group's Plants

For the risk assessment, we used the Baseline Water Stress country score, developed as part of World Resources Institute's Aqueduct Water Risk Atlas, as an index that can evaluate sites around the world in common at the global level, to identify countries with high water stress from the countries where our plants are located.

(\*Covered 26 production plants in Japan and 64 production plants overseas owned by companies that collectively account for more than 90% of the Suntory Group's sales.)

Baseline Water Stress	
Extremely high	India
High	Mexico and Spain
Medium-high	France, Thailand, Indonesia, and Australia
Low-medium	Japan, America, England, the Philippines, and Nigeria
Low	Canada, Ireland, Taiwan, Vietnam, Malaysia, and New Zealand

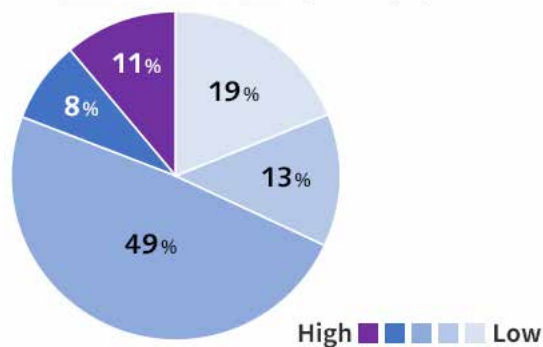
Created based on the Baseline Water Stress score for each country adopted in the Aqueduct Risk Atlas by the World Resources Institute. <https://www.wri.org/applications/aqueduct/country-rankings/>  
 Hofste, R., S. Kuzma, S. Walker, E.H. Sutanudjaja, et. al. 2019. "Aqueduct 3.0: Updated Decision-Relevant Global Water Risk Indicators." Technical Note. Washington, DC: World Resources Institute. Available online at: <https://www.wri.org/publication/aqueduct-30>.

In addition to Baseline Water Stress, we have adopted 2040 Water Stress, which evaluates water stress in 2040 based on future scenarios such as climate change. Plants with either Baseline Water Stress or 2040 Water Stress scores of "Extremely High" or "High" are defined as plants with high water risk in the Suntory Group. The percentage of water withdrawals at plants with high water risk is 19% of all of our plants.

The Suntory Group conducted local surveys and assessments that focused on plants with high water risk. We have also consistently conducted water assessment surveys of our major suppliers since 2016.

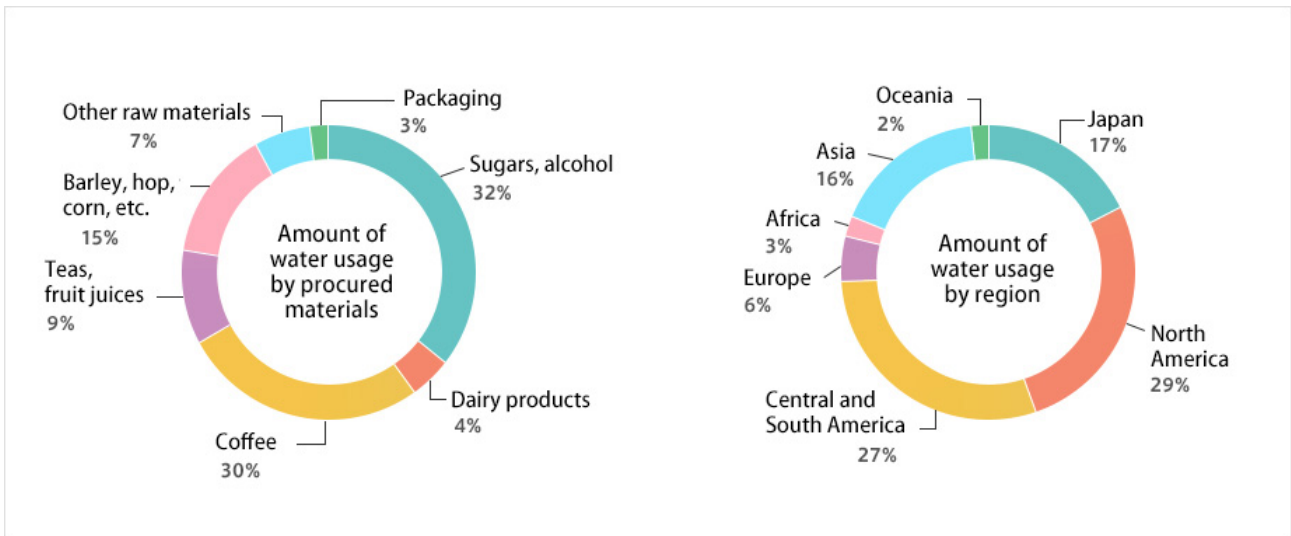
\*Plants located in a country with a Baseline Water Stress score of "extremely high" or "high" in the Aqueduct by the World Resources Institute.

Water Risk Assessment of Suntory Plants (%)



## ■ Quantitative Evaluation Through Natural Capital

It is said that food and beverage companies that use agricultural goods as ingredients, use much more water in its agricultural supply chains than in own operations. The Suntory Group has calculate the water usage and GHG (greenhouse gases) emissions in its upstream supply chain.

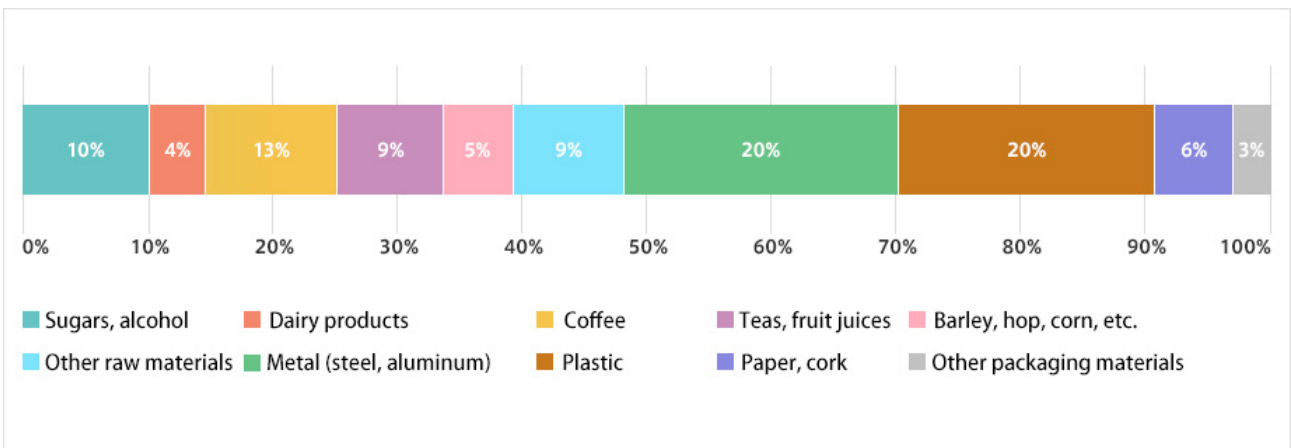


Ratio of Water Use by Raw Material and by Region in the Upstream Supply Chain (2015)

\*The ratio is for raw materials used by production sites in Japan

\*The calculation is based on data from the Water Footprint Network (WFN)

\*Total of green water (rain water, etc.) and blue water (irrigation water, etc.)



Ratio of GHG Emissions by Procurement Item in the Upstream Supply Chain (2015)

\*The ratio is for procurement items used by production sites in Japan

\*The calculation is based on the Eora MRIO multi-region input-output table database

Environmental Management

## Environmental Management

### Promotion of ISO14001 Certification Acquisition Throughout the Group

We have actively advanced the acquisition of the international ISO14001 certification standard at each Group company as one method to continually evolve by integrating business and environmental activities. With the completion in acquiring the integrated certification and the start of operations at Group companies\* in Japan, we are working to enhance management to abide by laws at sites with a low environmental burden and conduct even more efficient environmental management with these sites as targets from 2017. We are in the process of obtaining certifications at overseas Group companies with focus on our production sites. We are approximately 70% complete in certifying overseas Group company production sites as of 2021.

We are enhancing the links between each department involved with the value change of businesses at each Suntory Group company to promote business activities from an environmental perspective in all stages from the procurement of ingredients to disposal.

\*Group companies complying to the Japanese SOX Act



## Introducing Environmental Accounting

We use and disclose the content of environmental accounting that conforms to the 2005 Environmental Accounting Guidelines of the Ministry of the Environment. Environment accounting serves as an important tool for periodic quantitative evaluations of our environmental conservation initiatives in our business activities.

### ■Suntory Group's Environmental Accounting (total of business in Japan)

(Period: January 1 to December 31, 2021)

(million yen)

Item			FY2019		FY2020		FY2021	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> <li>Preventing water pollution</li> <li>Air pollution prevention cost, etc.</li> </ul>	348	2,151	735	2,082	530	2,070
	Global environmental preservation cost	<ul style="list-style-type: none"> <li>GHG reduction</li> <li>Energy conservation</li> <li>Cogeneration</li> <li>Air treatment, etc.</li> </ul>	668	3,090	428	2,730	651	2,843
	Resource circulation cost	<ul style="list-style-type: none"> <li>Conserving water through recirculation</li> <li>Reducing sludge</li> <li>Reusing waste</li> <li>Wastewater treatment cost, etc.</li> </ul>	331	3,246	153	3,413	66	4,027
	Total		1,347	8,486	1,315	8,225	1,247	8,940
Upstream and downstream cost	<ul style="list-style-type: none"> <li>Commission for resource recycling containers and packaging</li> <li>Environmentally-friendly containers and packaging measures</li> </ul>	0	1,238	0	1,187	0	1,387	
Management activities costs	<ul style="list-style-type: none"> <li>Building and maintaining Environmental Management System</li> <li>Sustainability Reports, Exhibits</li> <li>Factory greenification, etc.</li> </ul>	0	927	0	714	0	921	
Research and development costs	<ul style="list-style-type: none"> <li>Research and development activities to reduce environmental impact</li> </ul>	28	300	9	324	3	317	
Social activities costs	<ul style="list-style-type: none"> <li>Suntory Natural Water Sanctuary</li> <li>Bird Conservation Activities</li> <li>Suntory <i>Mizuiku</i> - Natural Water Education Program, etc.</li> </ul>	79	530	70	503	47	514	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,454	11,480	1,394	10,953	1,298	12,080

\*Amount of investment: Reason for investment was 50% or more for preserving the environment, all amount is considered as environmental investment (inspection basis)

\*Amortization expense: Expenses for investment from 2003 and afterwards which 50% or more is intended for environmental preservation are calculated.

\*In general, all cost for management and research activities are directly confirmed. Costs that are difficult to confirm directly are prorated and allocated based on a past survey of each procedure.

## ■ Environmental Preservation Effect of Suntory Group (production sites in Japan)

(Period: January 1 to December 31, 2021)

Item				Unit	2019	2020	2021	Reduction against previous fiscal year per unit production basis
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	16.8	10.4	3.4	7.3t/year
				Per Unit (g/kℓ)	3.5	2.2	0.7	
			NOx	Total (t)	152	152.3	141.8	14.7t/year
				Per Unit (g/kℓ)	31.6	32.4	29.4	
	Preserving global environment	GHG emission reduction	GHG (Fuel + Electricity) Derivation	Total (thousand t)	350.5	343.7	347.4	5.1 thousand t/year
				Per Unit (kg/kℓ)	71.2	72.9	71.9	
		Reduction of energy consumption	Fuel	Crude oil conversion (thousand kℓ)	103	104	102	4,114 kℓ/year
				Per Unit (ℓ/kℓ)	21.5	22.1	21.2	
			Electricity	Total amount (million kWh)	341	340	352	-3,016 thousand kWh/year
				Per Unit (kWh/kℓ)	70.9	72.3	72.9	
	Resource circulation	Reduction of water resource use	Water use	Total amount (thousand m <sup>3</sup> )	21,310	20,752	20,461	863 thousand m <sup>3</sup> /year
				Per Unit (m <sup>3</sup> /kℓ)	4.4	4.4	4.2	
		Reduction of waste emissions	By-products and waste emissions	Total (t)	251,454	228,355	209,683	24,945t/year
				Per Unit (kg/kℓ)	52.3	48.6	43.4	
Resource recycling rate		(%)	100	100	100			

\*Electricity based GHG emissions are the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

## ■ Economic effect of Suntory Group (production sites in Japan)

(million yen)

Item	FY2019	FY2020	FY2021
Income from recycling (sales of byproducts)*1	359	305	326
Cost saved by conserving energy*2	-321	-242	150

\*1 The calculation method is the same as the costs saved for waste disposal  
 < Previous Year's Capital Gains × Ratio Compared to Previous Year's Production Volume - Current Year's Capital Gains >

\*2 The calculation method is the same as the costs saved for waste disposal  
 < Yearly Costs Before Utility × Ratio Compared to Previous Year's Production Volume - Current Year's Costs >

## Environmental Management

# Suntory Group ISO 14001 Certification List (as of July 1st 2022)

## Japan

- Suntory Holdings Limited
- Suntory Business Systems Limited

### ■ Non-alcoholic Beverages and Food

- Suntory Beverage & Food Limited
- Suntory Products Limited
- Suntory Products Ltd. Haruna Plant
- Suntory Products Ltd. Hanyu Plant
- Suntory Products Ltd. Tamagawa Plant
- Suntory Products Ltd. Kanagawa Ayase Plant
- Suntory Products Ltd. Suntory Tennensui Minami Alps Hakushu Plant
- Suntory Products Ltd. Kisogawa Plant
- Suntory Products Ltd. Ujigawa Plant
- Suntory Products Ltd. Takasago Plant
- Suntory Products Ltd. Suntory Okudaisen Bunanomori Water Plant
- Suntory Wellness Limited
- Suntory Coffee Roastery LTD. Oyama Atsugi Plant
- Suntory Coffee Roastery LTD. Ebina Plant

### ■ Alcohol Beverages

- Suntory Spirits Limited
- Suntory Spirits Ltd. Hakushu Distillery
- Suntory Spirits Ltd. Yamazaki Distillery
- Suntory Spirits Ltd. Ohmi Aging Cellar
- Suntory Spirits Ltd. Azusanomori Plant
- Suntory Spirits Ltd. Osaka Plant
- Suntory Spirits Ltd. Gunma Brewery
- Suntory Spirits Ltd. Tokyo Musashino Brewery
- Suntory Spirits Ltd. Kyoto Brewery
- Suntory Spirits Ltd. Kumamoto Aso Brewery
- Suntory Spirits Ltd. Tominooka Winery
- Suntory Spirits Ltd. Shiojiri Winery
- SUNTORY CHITA DISTILLERY LIMITED
- Iwanohara Vineyard Co., Ltd.
- Suntory Malting LTD.
- OSUMISYUZO LIMITED

## ■ Sales and Marketing

- OKINAWA SUNTORY LIMITED
- Suntory Foods Ltd.
- Suntory Beverage Solution Ltd.
- ORIENTAL COMPANY LIMITED
- Suntory Foods Okinawa Ltd.
- Japan Beverage Ecology Inc.
- SUNLIVE COMPANY LIMITED
- Sunvend Co., Ltd.

## ■ Research and Development Center

- Suntory World Research Center
- Suntory Products Development Center

## ■ Food Service

- DYNAC HOLDINGS CORPORATION
- PRONTO CORPORATION

# Overseas

## ■ Non-alcoholic Beverages and Food

### Suntory Beverage & Food Europe

- Suntory Beverage & Food France Meyzieu (France)
- Suntory Beverage & Food France La courneuve (France)
- Suntory Beverage & Food France Gadagne (France)
- Suntory Beverage & Food France Donnery (France)
- Suntory Beverage & Food Spain Tordera (Spain)
- Suntory Beverage & Food Spain Carcagente (Spain)
- Suntory Beverage & Food Spain Toledo (Spain)
- Suntory Beverage & Food Spain Sevilla (Spain)
- Suntory Beverage & Food Great Britain and Ireland Coleford (U.K)

### Suntory Beverage & Food Asia Pacific

- Brand's Suntory International Leam Chabang (Thailand)
- Brand's Suntory International Pin Thong (Thailand)
- Brand's Suntory International Taichung (Taiwan)
- Brand's Suntory International Shah Alam (Malaysia)
- Suntory PepsiCo Vietnam Beverage Bac Ninh (Vietnam)
- Suntory PepsiCo Vietnam Beverage Quang Nam (Vietnam)
- Suntory PepsiCo Vietnam Beverage Dong Nai (Vietnam)
- Suntory PepsiCo Vietnam Beverage Hoc Mon (Vietnam)
- Suntory PepsiCo Vietnam Beverage Can Tho (Vietnam)
- Suntory PepsiCo Beverage Thailand Rayong (Thailand)
- Suntory PepsiCo Beverage Thailand Saraburi (Thailand)
- Frucor Suntory New Zealand Wiri (New Zealand)

## ■ Alcohol Beverages

### Beam Suntory Inc.

- Frankfort (USA)
- Clermont (USA)
- Booker Noe (USA)
- Maker's Mark (USA)
- Calgary (Canada)
- Sauza (Mexico)
- Behror (India)
- Courvoisier-D (France)
- Courvoisier-F (France)
- Cooley (Ireland)
- Kilbeggan (Ireland)
- Palazuelos (Spain)
- Valverde (Spain)
- Ardmore (U.K.)
- Auchentoshan (U.K.)
- Bowmore (U.K.)
- Glen Garioch (U.K.)
- Laphroaig (U.K.)
- Springburn (U.K.)
- Cruzan (Virgin Islands,U.S.)

### Suntory Wine International Limited

- Chateau Lagrange (France)

## Environmental Management

# Environmental Education for Employees

We are making efforts to raise environmental awareness and improve communication through disseminating information to the employees in timely manner and holding regular environmental trainings.

## Promoting Environmental Education in the Group

We promote environmental education to raise employees' environmental awareness strategically. We implemented various environmental education initiatives including e-learning for all Group employees in Japan and dissemination of information on the Intranet. In addition, we regularly hold workshops and seminars to learn specific skills that are required in each operation. In addition, from 2020, we have started a program on "Sustainability Management" through an online course that can be taken by all Group employees worldwide.



Seminar on managing Wastes Disposal and Public Cleansing Act

### FY2021 Environmental Training

Name	Target	Number of participating employees
Onboarding training (environmental management class)	New employees	All
ISO14001 awareness and special education	Plant employees	All
Sustainability management training (e-learning, etc.)	Group employees in Japan	20,129
Training for newly appointed employees in charge of ISO14001	Employees in charge of ISO14001	18
Internal ISO14001 auditor training	Internal ISO14001 auditor	55
Eco-products seminar	Employees in charge of product development	24
Environmental Law Training	Employees from relevant departments	54
Wastes Disposal and Public Cleansing Act seminar	Employees from relevant departments	327

### ■Raising Awareness among Employees on First Hand Experience with Forestry

We are advancing employee participation in the First Hand Experience with Forestry at Suntory Natural Water Sanctuaries where Group employees and their families have participated in volunteer activities since 2013.

We have been engaged in an activity for approximately 7,600 employees in alcoholic and nonalcoholic businesses that encourage employees to participate in first-hand experience with forestry to make each employee experience and understand Suntory's value of coexisting with nature since 2014. It is still being implemented in new employee training programs.



Forestry Maintenance Training for Employees

### ■Promoting Environmental Action on the Intranet and Internal Magazine

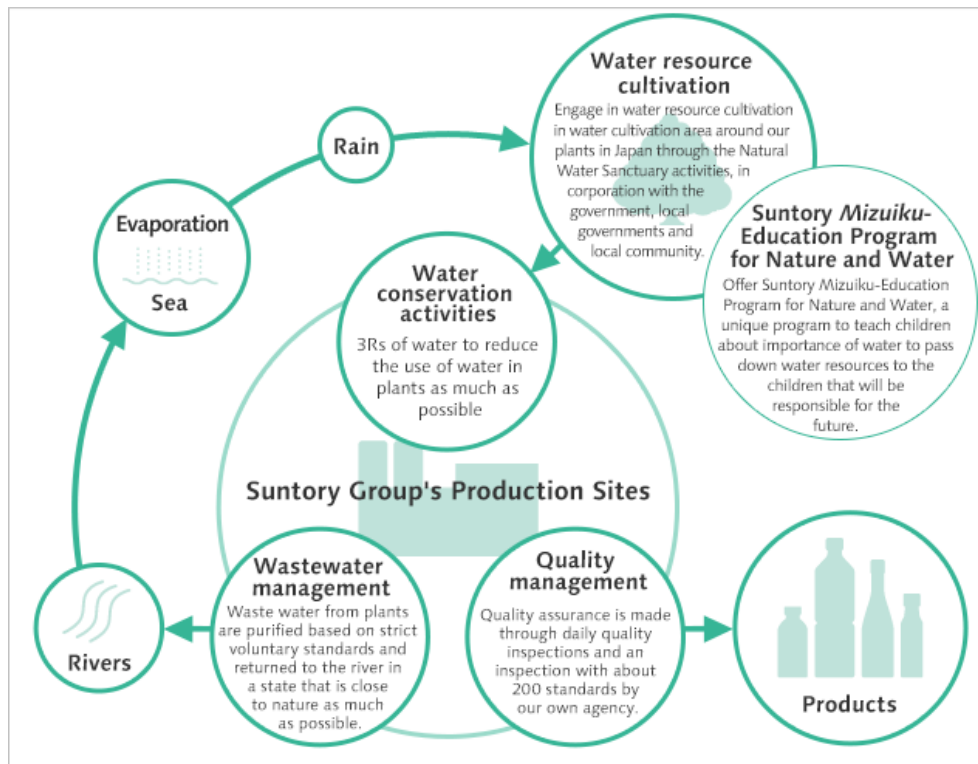
We are sharing basic environmental information, environmental laws and ordinances pertinent to our business, internal guidelines and other materials on the intranet. We are also raising awareness in our employees and encouraging action by including e-Learning as well as lending out DVDs related to environmental activities.

The MADO internal magazine and the e-MADO published on our intranet play a role in introducing the latest environmental activities and information of the Suntory Group to not only enlighten employees but also their families.

To Create Harmony with Nature: Environment

# Water Sustainability

Only about 0.01% of the entire fresh water on Earth can be used by mankind. Suntory Group business is supported by precious global resources such as water and agricultural products. Suntory Group uses water carefully and not only returns clean water to nature, but protects forests that nurture groundwater and contribute to healthy circulation of water in nature. In other words, we recognize that water sustainability is the most important issue in our business activity.



## Realizing Preservation and Regeneration of Natural Environment

The Suntory Group businesses are supported and realized by precious global resources such as water. We are reducing the environmental burden in our business activities to pass down a global environment rich with water and abundant nature to the future generations. We are also promoting activities that contribute to the preservation and revitalization of the natural environment such as the preservation of the natural environment in Natural Water Sanctuaries, Save the Birds activities to share the importance of protecting the wild birds that symbolize a rich ecosystem with society, and the Suntory *Mizuiku* - Education Program for Nature and Water that communicates the importance of water to children. Within our Environmental Vision 2050, we declare an ambition to take on the challenge of actively engaging in environmental preservation and restoration activities in the main countries of operation, while also setting various targets for them in the Environmental Targets toward 2030



**Sustainable Water Philosophy**



**Achieving the AWS Certification for Water Stewardship**



**Water Risk Assessment**



**Effective Use of Water Resources**



**Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)**



**Bird Conservation Activities**



**Suntory Mizuiku - Education Program for Nature and Water**



**Water Initiatives Worldwide**

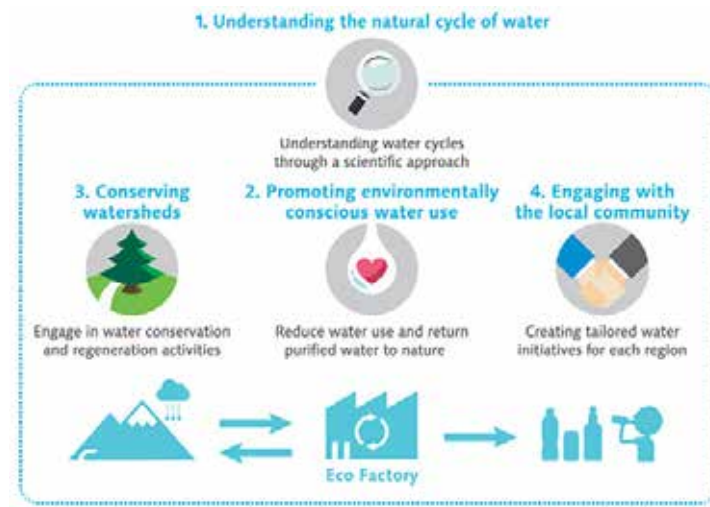


Water Sustainability

# Sustainable Water Philosophy

Our craftsmanship is only possible through nature’s gifts. It is our duty to nurture and protect water as an invaluable natural resource. Everything we create is grounded in respect and appreciation for water and we are committed to our efforts to keep water in its purest and most abundant form for future generations.

## Sustainable Water Philosophy Overview



## Establishing Our Sustainable Water Philosophy

The Suntory Group Sustainable Water Philosophy was established to address relevant water issues in each of our regions of operation. As we grow internationally, we are expanding our work on water sustainability across the globe.

### Suntory Group's Sustainable Water Philosophy

(Established 2017)

Water is the most important ingredient of our products, as well as a precious shared resource. In order to achieve "water sustainability", the first pillar of Suntory Group's Environmental Policy, we want to share these values with all Suntory Group members and apply them where we operate in order to answer to our stakeholders' expectations.

1. Understanding the natural cycle of water  
We investigate watersheds around our sites to understand the local hydrological cycle, using a scientific approach when needed.
2. Promoting environmentally conscious water use  
We reduce the environmental impacts of water use on the natural water cycle by implementing 3R activities and returning water to nature after adequate treatment.
3. Conserving watersheds  
We conserve our watersheds and endeavor to improve local water quality and quantity in cooperation with stakeholders for a sustainable future.
4. Engaging with the local community  
We endeavor to support our community by fostering collective actions to solve water issues and enrich society.

Water Sustainability

## Achieving the AWS Certification for Water Stewardship

### First in Japan to earn International Certification for Water Stewardship, the Alliance for Water Stewardship (AWS)

Suntory has achieved the first AWS International Certification in Japan for the Suntory Okudaisen Bunanomori Water Plant (Tottori Prefecture) in 2018 and then for Kyushu Kumamoto Plant (Kumamoto Prefecture) in 2019, followed by The Minami Alps Hakushu Water Plant (Yamanashi Prefecture) in 2021. This page introduces its significance.

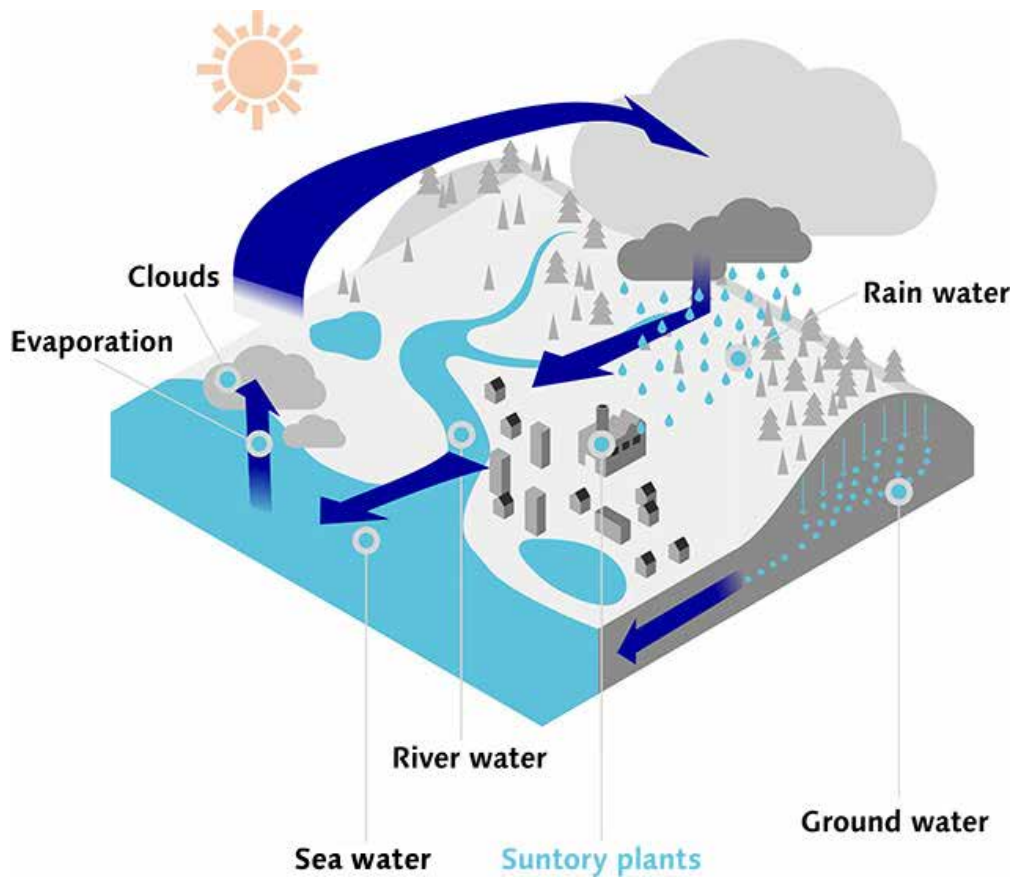


Suntory Holdings Limited  
General Manager, Sustainability  
Management Division  
Harumichi Seta

#### ■ Why Suntory is promoting the AWS

Suntory has been providing new values to people through its products and services to enrich their lives, which is the core of our business. Water is the most critical resource required for us to continue offering value to the customers and the essential resource for local communities and the ecosystem. Furthermore, water is a local resource that circulates depending on the local climate and geographical conditions. Evaporated sea water becomes clouds, rain down to become part of a river or groundwater, and then join larger rivers and back to the sea. This geographical zone is called a catchment. The water we withdraw to produce our products is part of the water cycle, connected to the more significant flow of the catchment like rivers or underground aquifers. Suntory regards itself as a part of the natural water cycle and promotes water stewardship activities in catchments around its plants to preserve the healthy water cycle.

## Water Cycle in a Catchment



Water stewardship indicates the responsible management and planning of water resources at the catchment level in collaboration with key stakeholders such as governmental agencies and the local community, in addition to managing water within our own plants. The initiative aims to promote the use of water that is socially and culturally equitable, environmentally sustainable, and economically beneficial throughout the entire catchment. Suntory conduct initiatives to contribute to a healthy water cycle in the watersheds based on the Suntory Group's "Sustainable Water Philosophy," which has four pillars – understanding the natural water cycle, promoting environmentally conscious water use, conserving watersheds, and engaging with the local community. In addition to using water carefully through continuous water-saving activities and wastewater management at plants, Suntory established Institute for Water Science in 2003 to conduct hydrologic studies and scientifically understand the water cycle in watersheds around our plants. In the same year, the Natural Water Sanctuary Initiative began in Kyushu Kumamoto Plant to conserve the water source have expanded the area to 21 locations totaling about 12,000 ha in Japan and achieved the target of cultivating more than twice the amount of water used by our plants. We continue to realize our vision for the next 50 and 100 years with the support of experts in various fields and residents and to create a forest that nurture groundwater for the watersheds. Moreover, we conduct the Suntory *Mizuiku*-Education Program for Nature and Water at the Natural Water Sanctuaries and local elementary schools near Tennensui Water Plants and cooperate with local government agencies and the community to monitor the catchments' groundwater level and water resources. Furthermore, we implement forest maintenance and paddy impounding to recharge groundwater and disseminate attractiveness to vitalize local communities under signed partnership agreements with local government agencies. Suntory became the first company to earn the internationally respected standard for water stewardship in Japan, the AWS Certification, to continuously deepen such integrated water resource management itself along the "Sustainable Water Philosophy."

## Integrated Water Resource Management



### ■About AWS

The Alliance for Water Stewardship (AWS) is an organization globally promoting water sustainability established by NGOs, such as the World Wildlife Fund (WWF), The Nature Conservancy (TNC), and companies. The AWS Certification is an international certificate for sustainable water use targeting plants globally and aims to promote water stewardship.

For the certificate audit of Okudaisen Bunanomori Water Plant, Suntory Kyushu Kumamoto Plant, and The Minami Alps Hakushu Water Plant, the assessment body were highly evaluated our integrated water resource management; understanding of the water balance in the catchment around the plants, in line with the Suntory Group's "Sustainable Water Philosophy," water source conservation based on scientific data, water saving and water quality management initiatives at plants, our work with stakeholders, and appropriate disclosure.



### ■About the Partnership Agreement

Suntory Holdings received the request from the AWS to take leadership as a company that leads the promotion of water sustainability in Japan. Endorsing its purpose, we signed a partnership agreement with AWS Asia Pacific in February 2021. We also became the first company with AWS membership in Japan.

As the initiatives under the partnership agreement, we supervised the Japanese edition of the AWS International Standards issued in August 2021. We also introduced the certification of the AWS for Suntory Kyushu Kumamoto Plant through a case study etc., of water source conservation activities by winter paddy impounding at the 4th Asia Pacific Summit held in April 2022, in cooperation with the Water Stewardship Asia Pacific. Suntory will advocate the importance of water resource management by the private sector.

# Achieving the AWS Certification by Suntory

2018

**<First in Japan>**

Suntory Okudaisen Bunanomori Water Plant

Achieved the AWS Certification



2019

Suntory Kyushu Kumamoto Plant

Achieved the AWS Certification



2021

**<First in Japan>**

Signed partnership agreement with AWS Asia Pacific

**<First in Japan>**

Member of the AWS Supporting Companies

Suntory Minami Alps Hakushu Water Plant

Achieved the AWS Certification



We will continue to further engage in AWS activities

Water Sustainability

# Water Risk Assessment

The Suntory Group, which has made the pursuit of water sustainability a vital issue in the Basic Principles of Suntory Group's Environmental Policy, continues to conduct various water-related assessments at the Institute for Water Science established in 2003. We conduct water-related risk assessments for sustainable business activities and use these assessments to promote environmental management. We also consider water risk assessment when developing new businesses.

## Water Risk Assessment of Suntory Group's Own Plants

We identified the water stress situation in the country where our plants\* are located by using Baseline Water Stress, an indicator in the Aqueduct Country Ranking developed by World Resources Institute. The Aqueduct Country Ranking is the global assessment tool for uniformly assessing water risk in a specific country.

\*Owned plants that manufactures finished products and excludes plants for packaging and ingredients

Baseline Water Stress	
Extremely high	India
High	Mexico, Spain
Medium-high	France, Thailand, Indonesia, Germany
Low-medium	apan, USA, UK, Nigeria
Low	Canada, Ireland, Taiwan, Vietnam, Malaysia, New Zealand

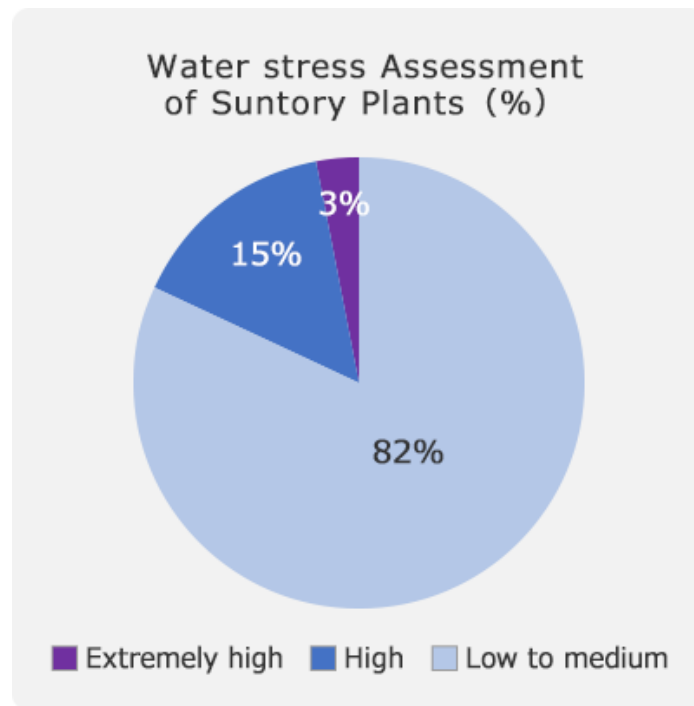
Based on country scores for Baseline Water Stress as used in Aqueduct by World Resources Institute.

In addition, using the methodology we developed in the pilot study\* of Science-Based Targets (SBT) for water, in which we participated in 2021, we assessed the water risk of the sites where our plants are located.

For our plants' continual operation, the water availability to the plants, the surrounding natural environment, and the local community must be in a sustainable state. For this reason, we identified the water availability in the watershed to which our plants belong as materiality. We then prioritized the plants that needed to implement risk management initiatives.

To assess, in addition to the Water Risk Filter developed by the World Wide Fund for Nature (WWF), the world's largest nature conservation organization, we adopted a total of four indicators, including the Aqueduct mentioned above indicator. These indicators are used to evaluate the water availability based on the ratio between the amount of water supplied to the watershed by precipitation and the amount of water demand in the watershed, estimated based on population statistics. Three of these indicators evaluate the water availability in the present, while the remaining indicator predicts the water availability in 2040, based on future scenarios such as climate change. Both indicators use a five-point scale to evaluate the degree of risk. We averaged the scores of the three indicators for each site to assess the current status of water availability and defined locations with an average score of "5: Extremely high" or "4: High" as sites with "Extremely high water-stressed." In addition, sites with a score of 4 or higher on Aqueduct's 2040 Water Stress, an indicator of the state of the water availability in 2040, were positioned as sites with "Highly water-stressed." As a result, of the total water withdrawal by all our plants in 2021, 3% were by sites with "Extremely high water-stressed," and 15% were by sites with "Highly water-stressed."

\*Pilot study to verify methodology related to SBT settings for water by Science Based Targets Network



Based on the results of this assessment, we are promoting local initiatives on a priority basis, starting with plants with high water risk. At the Behror plant in India, we have assessed the water balance of the entire watershed to which the plant belongs based on a local hydrological survey and implement activities to recharge the water source by utilizing reservoirs where rainwater can infiltrate. In addition, at the Toledo plant in Spain, we collaborate with a local NGO to improve the water quality of the Tajo River basin through a project called "Guardians of Tajo." We are currently conducting a more detailed field survey of the city water reservoir used by the plant to identify the recharge area to make a plan for conservation activities. Furthermore, at the Bogor plant in Indonesia, we have been working with experts from a local university to conduct a hydrological survey of the watershed to formulate a plan for groundwater conservation. We have surveyed river flow rates and water quality, considering the rainy and dry seasons.

In this way, the Suntory Group has been conducting on-site surveys, and working with stakeholders in the watershed to implement initiatives at prioritized plants in highly water-stressed areas. In addition, we have been conducting water-related surveys of our significant suppliers on an ongoing basis since 2016.



Water Sustainability

# Effective Use of Water Resources

We are conserving water in our plants and returning waste water to nature after purifying it to avoid impact on the natural circulation of water.

## Enhanced 3Rs for Water to Reduce Water Use

The Suntory Group’s plants use a large amount of water, for example, in cleaning production equipment and cooling, in addition to using it as an ingredient in our products. In order to conserve limited water resources, we intensify our activities to achieve targets toward 2030 of “Reduce water consumption at the Suntory Group plants worldwide by 35%\*1” through enforcement of 3Rs for water, ensuring that the minimum amount of water is required (Reduce), water can be used repeatedly (Reuse), and water can be processed and used elsewhere (Recycle).

\*1 Reduction per unit production based on the business fields in 2015

### Water Use Performance

Area	Water use (thousand m <sup>3</sup> )			
	2015 (base year)	2019	2020	2021
Japan	21,816	21,310	20,752	20,461
Americas	8,132	8,081	6,737	6,253
Europe	6,473	6,245	5,454	5,985
Asia	4,492	7,154	6,364	6,212
Oceania	562	438	444	424
Africa	216	129	89	84
Total	41,692	43,357	39,840	39,419★

\* 2015 (base year): Data covers 25 production plants in Japan and 59 production plants overseas \*2021 : Data covers 27 production plants in Japan and 64 production plants overseas

\* Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 21,776 thousand m<sup>3</sup>★

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.



\* Per unit production is the amount of usage per kiloliter produced

\* Data covers 27 production plants in Japan and 64 production plants overseas

## ■Applying 3Rs in Water Usage

When selecting equipment and devices in our plants, we follow the "3Rs of Water": Reduce the amount of water as much as possible, Reuse water, and Recycle water through treatment.

A variety of activities related to the 3Rs are being implemented at the Minami Alps Hakushu Water Plant of Suntory Products Ltd. In particular, thanks to our use of a sophisticated "water cascade" recycling process, we are an industry leader in terms of per unit production in relation to the volume of water used.



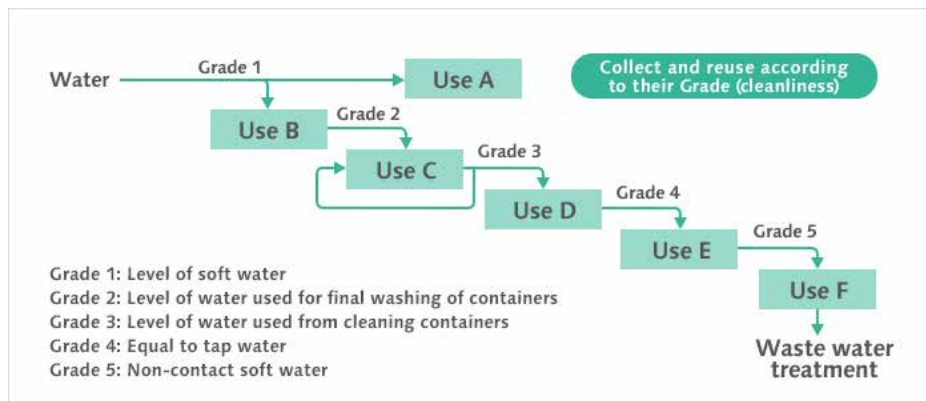
The Minami Alps Hakushu Water Plant of Suntory Products Ltd.



Reuse of water recycled at each stage of cleaning stored in 200 ton tanks

## Using Cascades of Water

Water used in the manufacturing process is classified into five grades, including coolant water, cleaning water, etc., based on quality. This technology allows plants to recycle water to be used in subsequent processes, for example, using the highest grade water in the most demanding process, and recycling it for use in a process with less stringent requirements.



## ■Amount of water usage by water source

Intake source	Amount of water (thousand m <sup>3</sup> )		
	2019	2020	2021
Groundwater	18,687	17,698	17,129
Rivers/lakes	12,873	10,858	10,468
Rain water	0	0	0
City water	11,797	11,284	11,822
Water supplied from external sources (recycled water)	0	0	0
Total	43,357	39,840	39,419

\* Data covers 27 production plants in Japan and 64 production plants overseas

## ■ Effective Use of Rainwater

Japan is fortunate to have plentiful rainfall, and rainwater is one of our important resources. The Suntory Group accumulates rainwater in tanks for use in watering plants.



Suntory Products Ltd. Kanagawa Ayase Plant uses rainwater to water plants

## Comprehensive Waste Water Management

The Suntory Group established voluntary standards for waste water that are equally or stricter than the legal regulations and manages quality so that we may release waste water in a state as close to nature as possible. Waste water from our plants is first purified using anaerobic waste water treatment facilities\* and other equipment before it is released into sewers and rivers. Inspectors use measuring equipment to take daily readings of things like water quality under a constant monitoring regime.

To further stabilize waste treatment facilities in plant in Japan, we are holding regular meeting attended by person in charge of waste water from every plant to improve the level of operation management and system to prevent troubles from 2014.

\*A treatment method that decomposes pollutants using microbes (anaerobic bacteria)

## ■ Water discharge

Destination	Waste Water (thousand m <sup>3</sup> )		
	2019	2020	2021
Rivers/lakes	14,481	13,611	13,961
Sea	1,061	967	1,088
Sewers	8,707	8,283	8,651
Others (for watering plants, etc.)	61	55	35
Total	24,310	22,917	23,736

\*Data covers 27 production plants in Japan and 64 production plants overseas



24-hour waste water management system



Meeting of persons in charge of waste water

Water Sustainability

## Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)

### Natural Water Sanctuary Initiative -- For the future of water and life

Suntory is a "water" company.

Without quality water, we are unable to produce any beer, soft drinks, or whisky.

This is because water, especially groundwater, serves as Suntory's lifeline.

This precious groundwater is nurtured in the forest.

In order to maintain safety and reliability of groundwater as well as sustainability, we are cultivating water resources in forests which is more than twice the amount of water used by our plants. Therefore, plant water source recharge areas are specified, with a focus on our Institute for Water Science, and mid-to-long-term agreements are established with local government and forest owners to maintain forests, leading to the establishment of Natural Water Sanctuaries.

In addition to the first sanctuary location established in Aso City, Kumamoto Prefecture in 2003 and the newest sanctuary called "Natural Water Sanctuary Northern Alps" (located in Omachi City, Nagano Prefecture) in March 2019, there are 21 Suntory Natural Water Sanctuaries in 15 prefectures which comprise a total area of approximately 12,000ha.

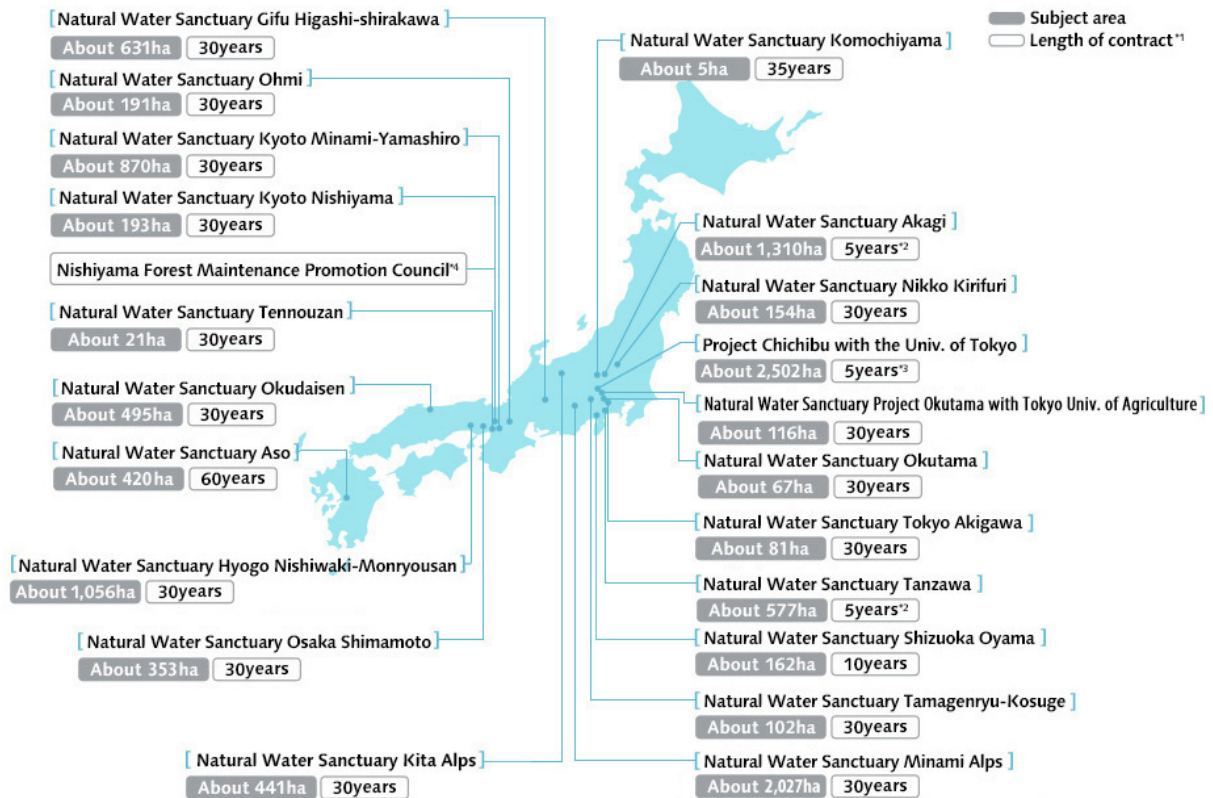


#### ■<Natural Water Sanctuary> Development Targets

- (1)Forests with a great capacity for cultivating water resources
- (2)Forests rich in biodiversity
- (3)Forests able to withstand flooding and landslides
- (4)Forests with great CO2 absorption capabilities
- (5)Beautiful forests where visitors can encounter nature in all its abundance  
(used for education programs, etc.)

21 areas nationwide Around 12,000ha

As of April 2022



\*1 When there contracts and agreements with different durations, the longest duration is given.

\*2 Planned to conserve for a century.

\*3 Planned to conserve for several decades.

\*4 In Nagaokakyo, Kyoto, we are a member of the Nishiyama forestry development promotion committee and we are cooperating in local forest preservation activities with people in the community. The area of the forests subject to this activity is not counted as part of our total Natural Water Sanctuary area.

### Looking at Groundwater -- Comparing simulation models with results from field surveys

One of the main purposes of our Natural Water Sanctuary Initiative to improve the function of forests for recharging water resources.

As a way to evaluate the results, Suntory has been trying to quantitatively evaluate the amount of groundwater recharge using a groundwater flow simulation model since 2006 and is finally approaching a level of accuracy which would allow the model to be used. Through the simulation of groundwater flow, we attempt to simulate where groundwater passes and how long it takes to reach the factory, and combine it with field survey information to deepen understanding of the underground which we normally cannot see. We would like to incorporate these results into the maintenance plan which will lead to more effective cultivation of water source recharge areas.



In addition to simulation results, it is also important to combine these results with results based on information gathered in the field during hydrologic surveys, etc. for verification.

## Forest Cultivation Which Looks 50 years and 100 Years Into the Future

All forests are different. So what are the special characteristics of each Natural Water Sanctuary as well as the issues that they face?

At first, we engage in activities that follow the RPDCA cycle which includes scientifically-based survey and research (Research), which serves as the foundation, creation of a vision (development plan) suited to each forest (Plan), maintenance work conducted by professionals (Do), verification of results (Check), and consideration of measures for improvement/conducting re-examination (Action).

The areas and fields of investigation and research targeted by Natural Water Sanctuary Initiative are diverse and linked organically. In doing so, cooperation based on the knowledge and skills of experts in various fields and of people in local communities is indispensable. We also use Natural Water Sanctuaries to conduct activities including human resource development support for passing on knowledge and skills (road creation, preventing damage from harmful animals, etc.), Suntory *Mizuiku* - Education Program for Nature and Water, which allows children to experience the importance of forests since they cultivate water, and The training program of First Hand Experience with Forestry by Suntory employees. Suntory continues implementation of Natural Water Sanctuary Initiative in order to provide the blessing of nature, something that cannot be replaced, to our children, grandchildren, and future generations to come by first humbly listening to various related issues and work together with local communities to gain knowledge.



## A Healthy Forest is One Full of Life -- Protecting Biodiversity

If there are many different types of plants in a forest, there will be an increase in the types of small animals that eat them, resulting in attracting animals that eat those small animals. In a healthy environment like this, a pyramid formed by various organisms is completed.

In addition to conducting systematic management through continuous ecosystem monitoring of animals, including birds, plants, and insects at Natural Water Sanctuaries, in January 2011 we participated in Biodiversity Declaration Promotion Partners initiated by Keidanren (Japan Business Federation) and are taking the initiative to create a society rich in biodiversity.



Biodiversity Pyramid of a Forest:  
Protecting the soil and vegetation  
leads to the protection of the entire ecosystem.

### ■ Biodiversity in a Natural Water Sanctuary from a Bird's Perspective

The plant and animal life living in the forest will change if the typical functions of the forest can be revitalized. Focusing on wild birds, which are said to serve as a barometer of a given environment, we conduct wild bird surveys by specialists in the Natural Water Sanctuaries every year based on the idea that it is possible to comprehensively grasp the changes in the entire ecosystem that supports them.

In addition, We have been promoting the project of nest building and rearing of chicks by eagles and hawks at all the Natural Water Sanctuaries in Japan with the purpose of advancing the development of a forest rich with biodiversity by taking the perspective of natural wild birds in the Natural Water Sanctuaries.

## Becoming More Familiar with Natural Water Sanctuaries

### ■ Ikurinzaï - Timber From Cultivated Forests Project

It is necessary to cut down trees in order to keep a forest healthy. The Suntory Group calls wood material made from Natural Water Sanctuary Initiative to nurture sustainable water and forests "Ikurinzaï - Timber from cultivated forests, carefully using all the conifer and broad-leaved trees removed during tree cutting, road creation, and other activities.

### Case Examples of Timber Utilization Inside and Outside of the Company



Research Location: Timber used  
to create the entrance (flooring, etc.)  
of Suntory World Research Center



All table tops at PRONTO mbs  
Tamachi shop.

## ■ Natural Water Sanctuary Forum

Based on the goal of "Creating Forests Which Nurture Water and Life," specialists in a variety of fields who provide coaching and collaborate in Natural Water Sanctuary Initiative are invited the form which serves as an opportunity to share the newest expertise and policies for future activities. The forum was held nine times from 2011 to 2019.



A poster session where guests can ask lecturers questions and exchange opinions

## ■ Training Program for Employees

Many group employees and their families have volunteered for the forest stewardship program in Natural Water Sanctuaries up to 2013. Since 2014, so that each employee experiences and understands the values of our corporate philosophy "To Create Harmony with People and Nature," a total of about 7,400 people (including about 800 volunteers) participated in the First Hand Experience with Forestry as a training program for Suntory Group company employees, mainly current employees of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.



Employees cutting undergrowth at a Natural Water Sanctuary



Employees pruning trees at a Natural Water Sanctuary

## ■ Participate in "30by30 Alliance for Biodiversity" in Japan

The Suntory Group joined the "30by30 Alliance for Biodiversity" in Japan, which targets to halt and reverse biodiversity loss by 2030. As a coalition of governments, companies, and non-profit organizations, the "30by30 Alliance for Biodiversity" has been established in Japan to achieve the "30by30" targets to conserve or protect at least 30 percent of the country's land and ocean by 2030.

The objective of this alliance is to promote and actively publicize initiatives that aim to expand national parks and register socio-ecological production landscapes (Satochi-satoyama) and company-owned forests to the World Database as OECM\*. The Suntory Group aims to contribute to achieving the global "30by30" goal by having its Natural Water Sanctuaries certified as OECM through participating in this alliance. The company will continue to promote sustainability management in order to preserve biodiversity and to realize a sustainable society.



\*OECM is an acronym for "Other Effective area-based Conservation Measures." OECM is an area conserved by initiatives of private organizations or an area where conservation is achieved mainly as a by-product of other management.



## ■University of Tokyo "The Wisdom of Water" (Suntory) Corporate Sponsored Research Program

Suntory Holdings Ltd. established the University of Tokyo "The Wisdom of Water" (Suntory) Corporate Sponsored Research Program in April 2008, and it has held this research program for five years. By cultivating more social interest in water, we are engaging in the various activities below with the aim of contributing to the education of research in academic fields while promoting solutions of water issues as well as developing a rich water environment.

### Activity Case Examples



"Water Map of Japan"



"Water Drill" educational contents for elementary students



The Wisdom of Water and Scientific Study of Forests and Water websites

## ■Official Partnership for National Parks

The Suntory Group has concluded the "Official Partnership for National Parks" with the Ministry of the Environment. Through this program, we aim to deepen people's understanding of the conservation of the natural environment and to revitalize the areas where the national parks are located. We will continue to promote the wonders of the national park along with our Natural Water Sanctuary Initiative.



Water Sustainability

# Bird Conservation Activities

Wild birds are said to be an indicator of natural environment. Understanding that the wild bird protection is linked to the protection of humans and the natural environment, we began our involvement in bird conservation activities in 1973.

## History of Suntory Bird Conservation Activities

Year of activity	Content
1973	- Start of Save the Birds! Campaign (May) - The first publication of a newspaper ad with an illustration of wild birds (received Asahi Advertising Award) - Established a bird sanctuary in the Hakushu Distillery (Yamanashi prefecture)
1989	- Foundation of the Suntory Fund for Bird Conservation
1990	- The 1st Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation
1993	- Start of the Save 1000 Albatrosses! Campaign
2006	- Newly established Grant for Community Bird Activities to the Suntory Fund for Bird Conservation
2014	- Newly established Grant for Riparian Large Bird Conservation to the Suntory Fund for Bird Conservation
2016	- Received the Wood Pencil at the D&AD Awards 2016, the ADC Award at the 2016 ADC Awards and the monetary prize at the Design for Asia Awards (DFAA) for the Line of Life Project to build kites of birds with children in the hopes of returning storks to a habitat where they can live normally
2018	- Relevant businesses certified under Japan Committee for the United Nations Decade on Biodiversity (UNDB-J)
2021	- Supported 「eBird Japan」, the Japanese version of 「eBird」, the world's largest bird observation database.
2022	- The 33st Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation (Total of ¥622.51 million from the 1st to 33st fund granting have been made to 472 organizations)



1st Save the Birds! Campaign newspaper ad



## ■The Suntory Fund for Bird Conservation

As one of the activities commemorating the 90th anniversary of our founding, we enhanced bird conservation activities with the establishment of the Suntory Fund for Bird Conservation in 1989. As this initiative is designated to promote global environmental conservation through the protection of wild birds, funds are granted for bird protection activities both in Japan and overseas.

Over the 33 years since becoming a charitable trust in 1990, the Foundation has granted total of ¥623 million to 472 organizations up to 2022, making great achievements. 2020 presentation ceremony has been canceled to avoid risk of covid-19. In 2021 and 2022, the presentation ceremony was held online.



The 30th Fund Granting Ceremony of Public Trust Suntory Fund for Bird Conservation



The 33th Fund Granting Online Ceremony of Public Trust Suntory Fund for Bird Conservation



Presentation of activities of foreign grantees who participated online in the presentation ceremony

## The Hakushu Distillery Bird Sanctuary

We started bird conservation activities in 1973, and in the same year, as the first private company, we opened a wild bird sanctuary in the Hakushu Distillery in Yamanashi Prefecture.

Surrounded by rich forests and many clear streams, the Hakushu Distillery is a relay point of migration for wild birds. In the bird sanctuary, Suntory periodically conducts bird research and, together with the local people, engages in forest preservation activities to maintain an environment by various activities including nest box hanging and other activities.



Blue-and-white flycatcher



Ural Owl



Red-flanked bluetail



Narcissus Flycatcher



Hanging boxes in the Bird Sanctuary

## Communication

We are putting out a broad range of information through our websites and other tools to familiarize more people with these wild birds. On the Japanese Bird Encyclopedia website, anyone can enjoy learning about over 200 species of wild birds through illustrations with explanations, bird calls, and pictures.

The Bird Watching that Starts Today website recommends bird watching spots nearby while introducing hints and points of caution when observing wild birds. These websites can even be enjoyed while out and about on a smartphone.

We are also creating leaflets on how to easily distinguish the birds around you to help in bird watching and leaflets about how to easily make feeders, birdbaths and nest to encourage birds into your area.



Japanese Bird Encyclopedia website



The Bird Watching that Starts Today website



Save the Birds Activity leaflets

Preserving and Regenerating the Natural Environment

# Suntory *Mizuiku* - Education Program for Nature and Water

We are implementing Suntory *Mizuiku*-Education Program for Nature and Water to pass down precious natural environment to the next generation.

## Suntory *Mizuiku*-Education Program for Nature and Water

Suntory *Mizuiku*-Education Program for Nature and Water celebrates its 19th year in 2022. Suntory *Mizuiku*-Education Program for Nature and Water is a program unique to Suntory designed for the next generation to realize the beauty of nature and importance of water and the forests that nurture the groundwater and to think about what they can do to ensure there is water in the future. The program centers on two activities: Outdoor School of Forest and Water and Teaching Program at Schools. It started online in 2020.

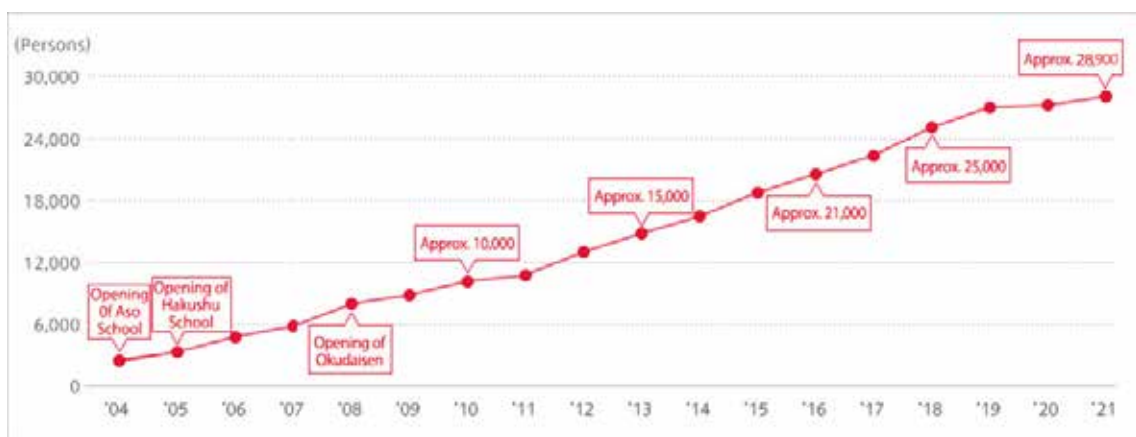
\*Sponsor: Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology, etc.

### ■ Outdoor School of Forest and Water

This hands-on nature program geared to elementary school students from grades three through six and their parents or guardians is held in the home regions of (Mineral Water) Suntory Tennensui. Participants experience for themselves the importance of water and of the forests that produce it amid the great outdoors at Hakushu (Yamanashi prefecture), Okudaisen (Tottori prefecture), and Aso (Kumamoto prefecture). Around 28,900 students and their parents took part in the program since it began in 2004 through 2021. We opened a remote school in 2020.

The Outdoor School of Forest and Water staff conduct the program together with expert instructors that play active role locally in environmental education.

### Total number of participants at the Suntory *Mizuiku* - Natural Water Education Program Outdoor School of Forest and Water

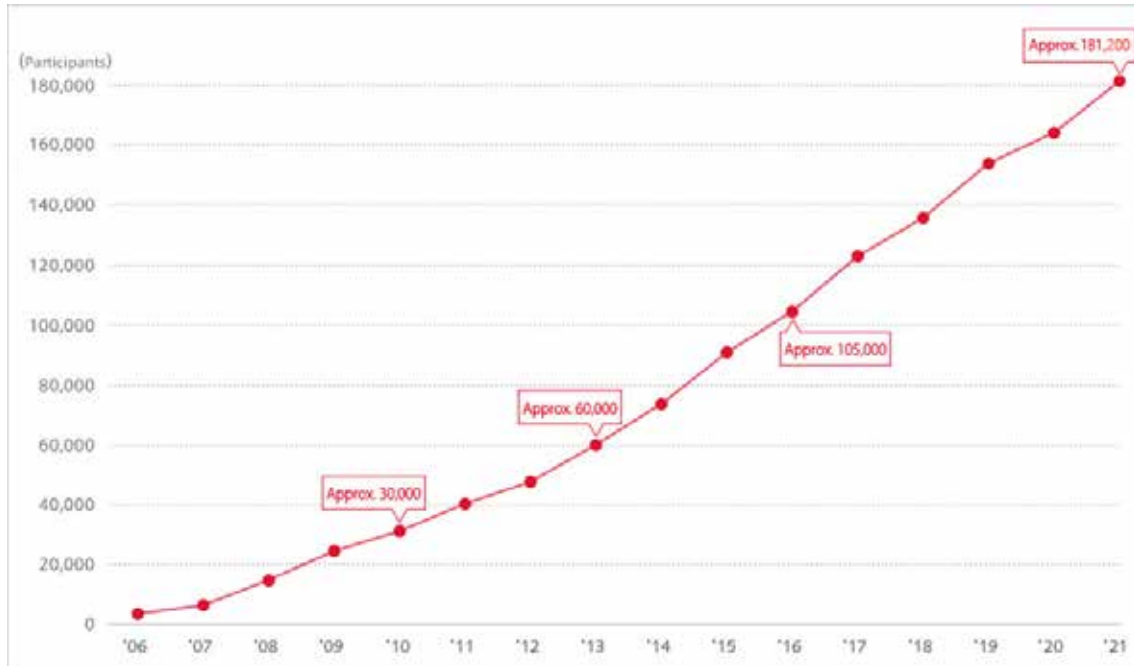


Outdoor School of Forest and Water

## ■Teaching Program at Schools

We offer study programs for students in grades 4 and 5 in elementary schools together with their teachers. We believe we can make a difference by teaching the cycle and importance of nature through videos and experiments so that together we can pass down water to future generations. The number of students participating in these programs are roughly 181,200 at approximately 2,364 schools as of 2021. Online classes have also started in 2020, which enable any schools to take part in all over Japan.

### Total number of participants for Teaching Program at Schools



Teaching about Water at Schools

## ■Suntory *Mizuiku* - Natural Water Education Program Website

The Suntory *Mizuiku*-Natural Water Education Program website is a place to have fun and learn about water. The website includes detailed information about the Outdoor School of Forest and Water and the Teaching Program at Schools programs in addition to kids pages such as the encyclopedia that brings together independent water research and comprehensive knowledge about water.



Suntory *Mizuiku* - Natural Water Education Program Website

## Expanding Suntory *Mizuiku* - Education Program for Nature and Water on a Global Level

With the expansion of Suntory Group's business activities internationally, we have also expanded Suntory *Mizuiku* - Education Program for Nature and Water overseas with the hope of promoting environmental activities globally.

### ■ Vietnam

We started the Vietnam Version of Suntory *Mizuiku*-Education Program for Nature and Water from March 2015, marking our first Suntory *Mizuiku* effort overseas.

We developed original education materials in collaboration with international NGOs such as Live and Learn, started collaboration with the Central Council of Ho Minh Young Pioneer Organization as well as the Vietnam National Union of Students from 2017, and have been conducting classes for third and fourth grade children to learn about the importance of water, sanitary management, and the importance of preserving water resources. We are also expanding teaching classes in each region by dispatching qualified *Mizuiku* instructors as part of a summer program. Starting in Hanoi City, classes are also taught in Ho Chi Min City and Bac Ninh, Ben Tre, Quang Nam, Lang Son, Ha Giang, Dong Nai, Thai Nguyen, Da Nang, Tra Vinh , Binh Thuan, Cao Bang, Thai Bing Provinces and Hai Phong City. As of the end of 2021, approximately 81,000 children have participated in the program since its inception.

In addition, we are contributing to the installation of toilets and washrooms at elementary schools to improve sanitary environment of children.

This activity was created to contribute to Target 6.B of Sustainable Development Goal 6 "Ensure access to water and sanitation for all."



Suntory *Mizuiku*-Education Program for Nature and Water in Vietnam

### ■ Thailand

From July 2019, we started Suntory *Mizuiku*-Education Program for Nature and Water in Thailand, the second foreign country in addition to Vietnam to serve as a program target location.

Through the collaboration of our group company Suntory PepsiCo Beverage Thailand and a local NGO, we implemented an educational program for fourth, fifth, and sixth grade children from Saraburi Province and Rayong Province, where Suntory PepsiCo Beverage Thailand plants are located, and Chiang Mai Province, which possesses the most water resources in Thailand. In 2021, the water education project at elementary schools in Ayutthaya, Pathumthani, Nakornpathom Provinces and Bangkok has been launched. Approximately 11,000 persons have participated in the program as of the end of 2021. It is an original program which teaches children about the importance of water, the importance of protecting water resources, and similar matters.

We also began a project to prevent sediment based erosion by slowing the currents of streams in northern Chiang Mai Province, installed small weirs to support permeation of underground water, planted trees to prevent soil from flowing into the streams.



Suntory *Mizuiku*-Education Program for Nature and Water in Thailand

## ■Indonesia

We started the Indonesia Version of Suntory *Mizuiku*-Education Program for Nature and Water in July 2019.

Collaborating with our group company Suntory Garuda, a local foundation, and a local NGO, we implemented an educational program for elementary school children in Gowa (South Sulawesi Province), Banjarbaru (South Kalimantan Province), Sidoarjo (East Java Province), Tangerang (Banten Province), Jakarta (the capital city) and Bogor (West Java Province) . Approximately 14,000 persons have participated in the program as of the end of 2021.

As in Vietnam, we teach about the importance of water, healthy water cycle, and the importance of preserving water resources through an original learning program. The program provides basic knowledge about water, addresses water pollution and how to eliminate it, and explores water preservation efforts that children can contribute to on an individual level. This contributes to improving children's awareness about environment in Indonesia.



Suntory *Mizuiku*-Education Program for Nature and Water in Indonesia

## ■France

In July 2020, Suntory Beverage & Food France established a workshop-based water education program for elementary school students in partnership with Grand Parc Miribel Jonage, a nature park located near its Meyzieu Plant. The program includes content on the role forests have in cultivating water, experiments to show how rainwater becomes underground water, and more. It was developed as part of the partnership Suntory Beverage & Food France began with Grand Parc Miribel Jonage in 2017 for water conservancy.



Workshop-based water education program in France

## ■China

In China, Suntory China Holdings started *Mizuiku* program in September 2021, with a total of approximately 4,000 participants at Shanghai in 2021. This program teaches elementary school students the basic knowledge about water and the habit of saving water, through experiments and videos about how nature works with contents tailored to the local situation such as by questioning “where does city water come from and end up in?”



Suntory *Mizuiku* - Education Program for Nature and Water in China

## ■Spain

From May 2022, we started Suntory *Mizuiku*-Education Program for Nature and Water in Spain.

Through the collaboration of our group company Suntory Beverage & Food Spain, a local NPO, and local experts, we implemented an educational program for primary school students in the province of Toledo. The field activities are carried out in the natural environment of the Guajaraz reservoir in the vicinity of Toledo, where the main factory of Suntory Beverage & Food Spain is based and source their water from. The program teaches students the importance of water such as by deepening their understanding on the natural water cycle and how it relates to their daily lives, how to use water responsibly, and the relationship between water and biodiversity, as well as provide training and ideas on how to preserve and improve the quality and quantity of water in the future.



## Preserving and Regenerating the Natural Environment

# Water Initiatives Worldwide

The Suntory Group businesses are supported and realized by precious global resources such as water. The global environment which holds the blessings of water and nature is a vital foundation of our businesses. We actively strive to coexist with the natural environment worldwide as we expand these businesses to pass down a sustainable society to the next generation. The Suntory Group will continue to engage in various initiatives in the future with the goal of becoming a global pioneer of environmental conservation.

## Environmental Conservation Activities to Cultivate Water

### ■ Beam Suntory

Beam Suntory has worked to preserve the natural environment, such as water conservation activities around its distilleries and the improvement of biodiversity in forests, to protect the precious natural resource of water. The Maker's Mark Water Sanctuary Project that began in 2016 planted American white oak trees on 33-acres of distillery land (approx. 13 hectares) as an effort in water resource cultivation. In 2018, new environmental conservation activities also began with the setup of a Natural Water Sanctuary on 15,625 acres of land (approx. 6,300 hectares) in the Bernheim Arboretum and Research Forest, a water resource of the Jim Beam distillery.



In Mexico, Casa Sauza has been participating in a collaborative watershed Initiative with other beverage manufacturing companies, to restore and protect the Santiago River Basin in the buffer zone of the natural protected area of Cerro Viejo through restoration against the loss of connectivity between forest and the lagoon due to the construction of a highway.

In Scotland, the Peatland Water Sanctuary, a large-scale series of peatland restoration and conservation and watershed conservation projects, has launched in 2021. We plan to invest more than \$4 million in the restoration and conservation of 1,300 hectares of peatlands by 2030, enough to produce the same amount of peat that Beam Suntory harvests every year in making its Scotch whiskies on an ongoing basis. Once restored and conserved, peatland naturally accumulates by 1mm per year, and that 1mm growth spread across 1,300 hectares will equate to Beam Suntory's annual use.



### ■Suntory Beverage & Food Europe

In France, Suntory Beverage & Food Europe entered into a 20-year partnership for the conservation of water resources in 2017 with Grand Parc Miribel Jonage, a nature park located next to the Meyzieu Plant. This partnership conducts conservation activities in the forest spanning the Grand Parc Miribel Jonage and supports educational programs for children, in addition to protecting water resources and the natural environment near the plant as well as promoting cultivation activities with the local community.

In Spain, Suntory Beverage & Food Europe engaged in ecosystem conservation activities with the cooperation of the local community in the hope of revitalizing the ecosystem in and around the Júcar river near its plant in Carcagente.



## Access to Safe Water

### ■Suntory Beverage & Food Asia

In Vietnam, Suntory Beverage & Food Asia has been contributing to repairs and installations of toilets and washrooms mainly at schools taking part in the Suntory *Mizuiku* since 2015 to improve the sanitary environment for children.

In 2019, sediment based erosion was prevented by slowing the currents of streams in northern Chiang Mai Province, small weirs to support permeation of groundwater were installed, trees were planted to prevent soil from flowing into the streams, and other water resource preservation activities were carried out.

In Nairobi, Kenya, Suntory engages in activities to supply clean and safe drinking water to schools through the Kangemi Resource Centre, which supports the education of the local community and addresses water shortages.

To Create Harmony with Nature: Environment

# Initiatives toward a zero carbon society

We are committed to promoting various initiatives to reduce environmental impact through the entire value chain.

## Continuing activities to reduce environmental impact

Suntory Group promotes the reduction of package weight, the use of recycled materials, and the installation of energy-saving vending machines to countermeasure global warming, effective use of resources, preventing pollution and managing chemical substances through the value chain, from ingredient procurement, manufacture to distribution, sales, and recycling.



Preventing Global Warming



Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations



Initiatives toward a zero carbon society

## Preventing Global Warming

An ongoing stable supply of products will be difficult if the effects of global warming more drastically change the climate patterns as well as greatly impact water resources, which are crucial for soft drink manufacturers. The Suntory Group recognizes global warming as one of the major challenges in business continuity due to the potential risk for great increases in production costs caused by a depletion of resources. Therefore, we need to unify as a Group to prevent global warming with the goal of reducing the environmental impact throughout the entire value chain by joining the environmental efforts of governments and local municipalities and by supporting public policy and regulations aimed to mitigate global warming.

Initiatives to combat global warming are debated at Global Sustainability Committee under the guidance of the executives in charge. These initiatives are discussed periodically and are overseen by the Board of Directors.

Reducing GHG Emissions  
throughout the Value Chain



Initiatives in Production and R&D



Initiatives in Distribution



Energy Conservation in Vending  
Machines



Initiatives in Sales, R&D, Offices, etc.



Green Procurement and Purchase



Preventing Global Warming

# Initiatives in Production and R&D

## Reducing GHG through Use of Renewable Energy and Energy Conservation

Plants and research facilities of the Suntory Group are actively using renewable energy as well as implementing energy conservation measures to reduce GHG emissions. In addition, number of plants that have achieved net-zero CO<sub>2</sub> emissions are growing, including through utilization of carbon offsetting.

### ■1. Use of Renewable Energy

Suntory Group aims to transition the electricity used at all its production and R&D sites\*<sup>1</sup> involved with beverage, food, and liquor business in Japan, the Americas, and Europe to those generated by renewable sources.

In April 2022, we switched the electricity purchased by all our 30 production and R&D sites in Japan to those generated by renewable sources. This amounts annual GHG reduction of approximately 150,000 tons\*<sup>2</sup>. Through this, over 90% the electricity purchased by our production and R&D sites in Japan, the Americas, and Europe became generated by renewable sources. Furthermore, Suntory Hall and Suntory Museum of Art also uses electricity generated by renewable sources.

\*1 Sites involved with beverage, food, and liquor business

\*2 Based on amount of emissions in 2020

In addition to purchased electricity, we are also installing solar panels and biomass boilers at our plants to generate renewable energy on our own.



Suntory Minami Alps Hakushu  
Water Plant



Suntory Kita Alps Shinano-no-Mori  
Water Plant



Carcaixent Plant (Spain)



Biomass boiler  
(Chita Distillery)



Biomass boiler  
(Suntory Kita Alps Shinano-no-Mori  
Water Plant)

## ■2. Promoting Energy Conservation

Suntory Spirits Ltd. Gunma Brewery has undergone a construction to increase its production capability of beer in 2013. At the same time, latest cauldron was introduced in the preparation stage for efficient use of energy, along with renewing boilers and cooling facility to optimize the energy supply facility. As a result, the energy efficiency improved by about 20% in the plant.



Suntory Spirits Ltd.  
Gunma Brewery

We have been conducting initiatives to improve the heat recovery rate at distilleries since 2016 and installed a new type of once-through boiler in 2017 at Sauza Plant in Mexico where large amount of fuel is used. Furthermore, these activities have also adopted the 2016 Joint Crediting Mechanism Financial Support Business that contributes to reducing GHG emissions in developing countries.



Newly installed boiler  
at the Beam Suntory  
Sauza Plant in Mexico

Suntory World Research Center introduced equipment to reduce the environmental impact such as an arrangement of LED lighting through the entire facility, automated control of lighting and airflow through image sensors, temperature difference water supply, and the application of hybrid heat source equipment to concurrently use natural gas and electricity while eagerly using natural energy such as the application of top lights\*<sup>1</sup> that actively let in natural light. The same center has acquired Class S, which is the highest class of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE)\*<sup>2</sup>.



Suntory World Research Center

\*1 Top light: Windows installed on roofs for natural light and ventilation

\*2 CASBEE: Environmental performance assessment for building overall developed by the Institute for Building Environment and Energy Conservation with the support of Ministry of Land, Infrastructure, Transport and Tourism in 2001.

Iwanohara Vineyard Co., Ltd. takes benefit being located in region of heavy snowfall and installed snow room in 1898 to store snow during winter. The thermal energy of snow is used to control the temperature for fermenting wine and storage. Following the tradition, snow room was rebuilt in 2005 and is being used to cool wine-aging warehouse.



Snow room at Okudaisen Bunanomori  
Water Plant of Suntory Products Ltd.

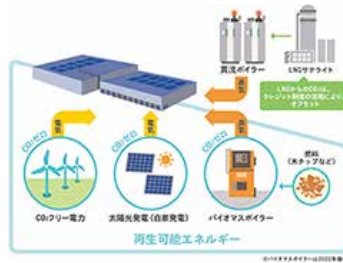
In Okudaisen Bunanomori Water Plant of Suntory Products Ltd., which also is located in region of heavy snowfall, also implements snow room and used as part of thermal control during spring.

### ■3. Net-zero CO<sub>2</sub> Emissions Plant

The Kita Alps Shinano-no-Mori Water Plant (Omachi City, Nagano Prefecture) which started operation in May 2021 as a fourth water resource for Suntory Tennensui Mineral Water, become the Suntory Group's first zero CO<sub>2</sub> Emissions plant in Japan through adoption of solar power generation facility and boilers which use biomass fuel, electric power procurement derived from renewable energy as well as offsetting. Four plants in France including the Donnery Plant have already achieve zero CO<sub>2</sub> emissions and Fred B. Noe Craft Distillery in North America which started operations in 2021 uses only renewable energy.



Suntory Kita Alps Shinano-no-Mori Water Plant



System for Achieving Zero CO<sub>2</sub> Emissions at Suntory Kita Alps Shinano-no-Mori Water Plant



Fred B. Noe Craft Distillery (Beam Suntory, North America)

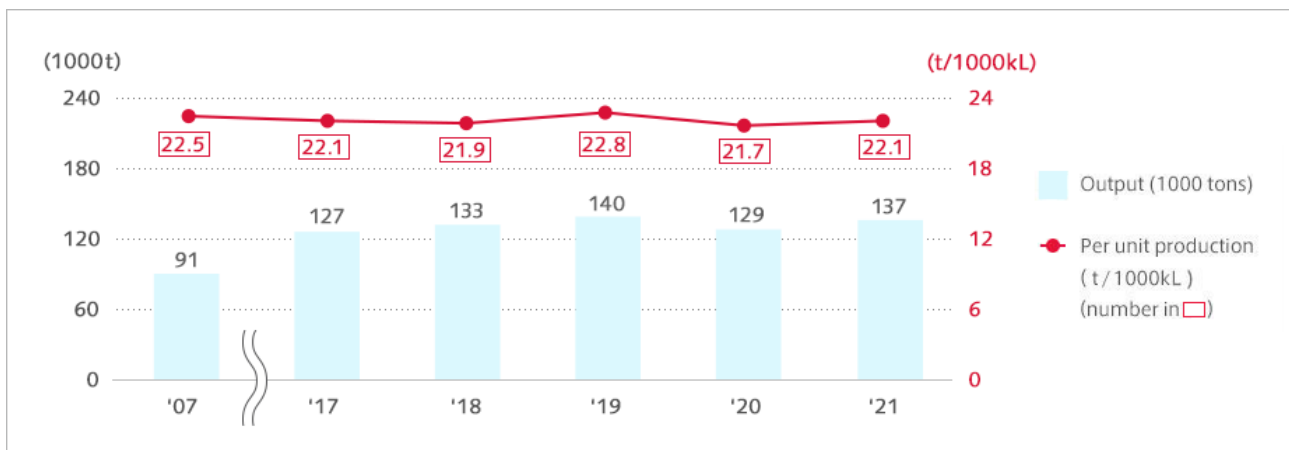
Preventing Global Warming

# Initiatives in Distribution

## Promotion of environment-friendly logistics

We are also striving to reduce environmental burden in the logistics transportation and delivery operations which transfix the supply chain flow of material supply, production, and delivery. We carry out highly efficient truck transport utilizing our original allocation system, along with the heavy promotion of modal shifts and utilizing larger sized vehicles. In 2021, while sales (kℓ) increased by 4% versus previous year, Green House Gas (GHG) emissions increased by 6% (≒137,000 tons), with a basic unit of 22.1 (GHG emissions/sales 1,000 kℓ).

### ■ GHG emissions resulting from logistics transportation (Japan)



## Promoting the Use of Larger Vehicles

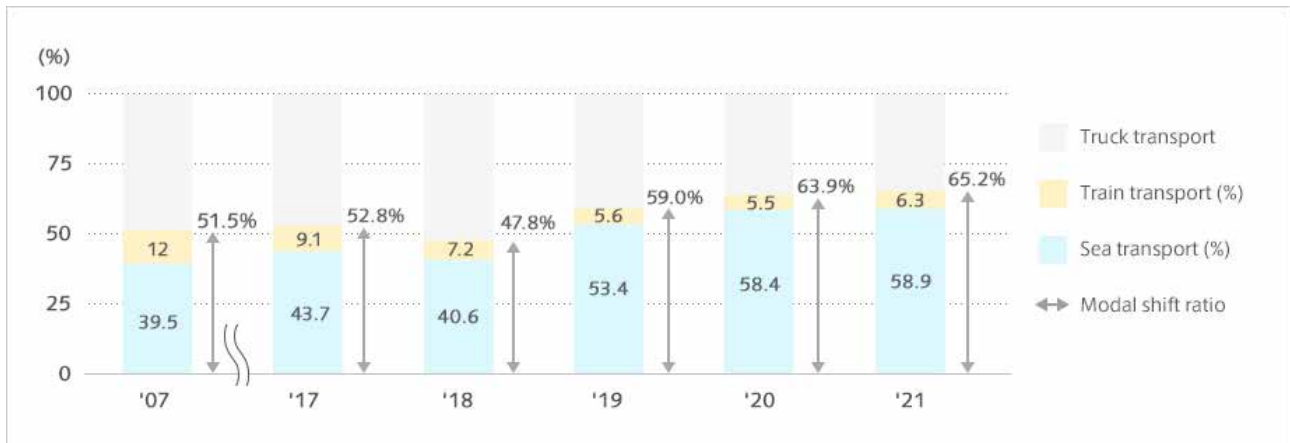
The Suntory Group is promoting shipping with large-scale vehicles to lower the number of trucks on the road. In particular, large-size trucks that use a trailer are being promoted in conjunction with efficient allocation of vehicles for shipments to each product vendors from production sites by truck.

## Promoting Modal Shift

We are promoting a modal shift to rail and sea transport which produces fewer GHG emissions than trucks when transporting over medium to long distances. In 2021, the modal shift rate was 65.2%, 58.9% of which was sea transport and 6.3% of which was rail transport. In the future, we will also promote modal shifts especially for medium-haul routes.



## ■ Changes in modal shift ratio



\* Changes in the modal shift ratio are calculated based on long-haul (500km or more) trips

Suntory Liquors Ltd.\*<sup>1</sup> has been certified as 1st Eco Ship Mark\*<sup>2</sup> certified company in 2009. In addition, Suntory Liquors Ltd. received an Eco-Rail Mark certification from the Ministry of Land, Infrastructure, Transport and Tourism in 2011.

\*<sup>1</sup> Currently Suntory Spirits Ltd.

\*<sup>2</sup> Eco-ship Mark system certifies cargo owners and logistic operators that use more than set amount of sea cargo that is friendly to the environment.

Screened by Businesses with Excellent Eco Ship and Modal Shift Selection Committee



Eco Ship mark



Eco-Rail mark

## Shipping Through Various Cargo and Shipper Integration

The Suntory Group has introduced the Integrated Transportation<sup>®</sup> Arrangement that calculates the optimal combination of vehicles and routes for various cargo and shipping locations. This reduces the distance and time with the number of trucks to use and the remaining capacity. In addition, we are reducing the environmental burden even further by limiting the loss when transporting goods with efforts such as sharing distribution information with other companies to combining cargo of multiple companies in one truck. We also ask our distribution partners to drive comprehensively in a way that reduces the environmental burden such as using idling stop systems and attaching digital tachometer that enable accurate monitoring and management of vehicle operation status.

## Promoting Initiatives by Cooperating with Distribution Affiliates

201 of our distribution affiliates (as of FY2021) have acquired certifications, such as the ISO14001 (52 sites) and Eco Stage (23 sites) as well as Green Management advocated by the Ministry of Land, Infrastructure, Transport and Tourism, with the aim to further reduce the environmental impact. In addition, in response to amendments to the Rationalization in Energy Use Law, the Suntory Group collected GHG emissions data such as the monthly distance driven by vehicles, the amount of fuel consumed, and the useful load of distribution affiliates.

## Promoting Collaborative Efforts with Other Companies

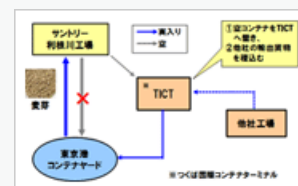
We are promoting distribution through cooperation with other companies such as joint distribution and joint use of containers as transportation measures that will lower the environmental impact.

Participating Companies	Coordination	Description	Starting from	Results
Suntory Group	Kirin Group	Joint distribution of soft-drink beverages within Chiba prefecture	July 2009	Reduced GHG emissions approx. 46 tons/year
Suntory Logistics Ltd.	Toyobo Logistics Co., Ltd.	Each company packs cargo on return trips in vehicles that only have one-way cargo	January 2010	Reduced GHG emissions approx. 100 tons/year
Suntory Logistics Ltd.	Toshiba Lighting & Technology Corporation	Joint use of railway containers	January 2011	Reduced GHG emissions approx. 140 tons/year
Suntory Group	Four major beer companies in Japan	Joint distribution in some areas of Hokkaido (Kushiro/Nemuro)	September 2017	Reduction of approximately 330 tons of GHG emissions per year (*Figures apply to all four beer companies)
Suntory Group	Four major beer companies in Japan	Joint distribution for transport between Kansai/Chugoku area and Kyushu area	April 2018	Reduction of approximately 1,500 tons of GHG emissions per year (*Figures apply to all four beer companies)
Suntory Group	Four major beer companies in Japan	Joint collection of beer pallets	November 2018	Reduction of approximately 4778 tons of GHG emissions per year (*Figures apply to all four beer companies)
Suntory Logistics Ltd.	Unicharm Corporation	Joint use of railway containers between Shizuoka area and Fukuoka area	February 2021	Reduction of approximately 2 tons of GHG emissions per year (*Total figures for both companies)

### Round-trip use of containers transported by sea (joint use with other companies)

One of our social responsibilities is to engage in reduction of the environmental impact caused by transporting import goods. Since February 2011, we have been working to divert used containers to export cargo by sharing them with other companies in Japan. Up until now, we have been able to realize efficient transport reducing our GHG emissions through the round-trip use of containers that would have flown back empty.

This initiative was presented the Minister Prize of Economy, Trade and Industry at the Green Logistics Partner Awards announced in December 2013.



Round-trip Use of Containers

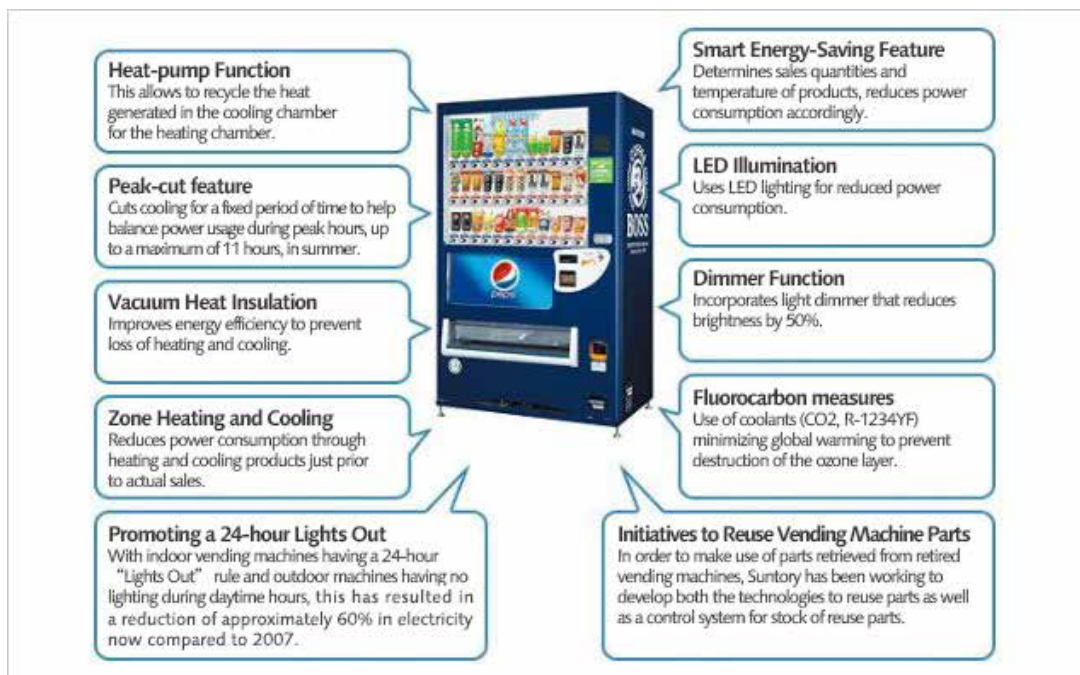
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## Energy Conservation in Vending Machines

### Energy Conservation in Vending Machines

We are implementing various initiatives to save energy in vending machines in Japan as one of priority initiatives to reduce Green House Gas(GHG) in the entire value chain.

#### ■Key Features of Suntory Vending Machines



#### ■Reducing Energy Consumption of Vending Machines

Since we introduced a peak-cut feature in 1995, we have been striving to introduce vending machines with lower consumption of electricity. Since 2007, we have been promoting installation of heat-pump vending machines that facilitate even more efficient energy usage compared to conventional vending machines as main energy-saving machine. Nearly all of the vending machines put into use in 2010 and all new vending machine (excluding some special-function machines) from 2011 were heat-pump models and also LED lighting were installed to them.

From 2012, we started introducing Hybrid Heat-pump Vending Machines which can reduce electricity consumption by additional 30% compared to normal Heat-pump Vending Machines.

In addition, by fitting refurbished machines\*<sup>1</sup> with heat-pump equipment, the ratio of heat-pump vending machines against all Suntory vending machines was 87% in the end of 2021

In 2013, "Mahou VIN Vending Machines"\*<sup>2</sup> which has a capability of suspending cooling for extended time by to having high refrigerant effect from using vacuum heat insulation materials, etc., in addition to energy saving heat-pump function. This vending machine enables the reduction of both environmental impact and electricity load during the peak hours in summer.

\*1 Vending machines that have been removed from service, refurbished, and reinstalled for retail use

\*2 Vending machine that is capable of suspending cooling for extended time due to high refrigerant effect by using vacuum heat insulation materials, etc. Refrigeration is suspended for 8 to 14 hours each day.

## What is a heat-pump vending machine?

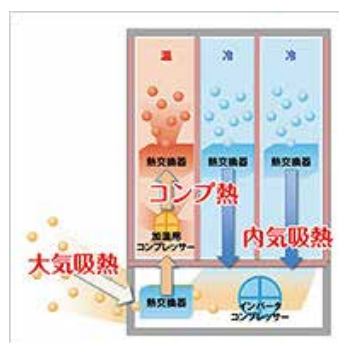
A heat-pump vending machine in Japan is a vending machine with a built in system to collect heat generated by the cooling chamber for the heating chamber. These vending machines largely contribute to energy saving through function to effectively use heat inside the vending machine and latest machine can even exchange heat with the atmosphere.

### ■Introducing Ultra-Energy-Saving Vending Machines

In April 2014, we began adopting "Ultra-Energy-Saving Vending Machines" (Eco Active Machines) that operate on approximately half the energy consumption (420kWh/year) compared to conventional heat-pump vending machines with the cooperation of machinery manufacturers the use of to further aim to contribute to reducing environmental impact. It stores two compressors, one dedicated to heating and other cooling and uses various latest technologies such as inverter control, vacuum heat insulation materials, electronic expansion valve and LED lighting to control energy consumption to an optimum condition to realize reducing electricity consumption.



© Sanden Holdings Corporation



### ■Promoting a 24-hour Lights Out

To promote reductions in GHG emission and combat global warming, vending machine manufacturers have promoted energy-saving measures since 1991, prior to establishment of the Kyoto Protocol. As a result, during the 15 years leading up to 2005, we achieved an approximate 50% reduction in energy consumption per vending machine. The industry also agreed to aim for a further 37% reduction by 2012, in comparison to 2005 figures, with indoor vending machines having a 24-hour "Lights Out" rule and outdoor machines having no lighting during daytime hours\*. The industry met its goal in 2011.

\* Reduces about 10% of power usage by turning off the lights during the day time, about 20% by 24 hours



## ■Measures Against Chlorofluorocarbon

Controlled chlorofluorocarbons that destroy the ozone layer are not used for refrigerants in our vending machines today. New vending machines that are introduced also use no chlorofluorocarbons substitutes that have a large impact on global warming. All of our machines are assumed to be R-1234yf, which has a low global warming potential.

## ■Initiatives to Reuse Vending Machine Parts

We are actively conducting initiatives to realize effective use of resources even in vending machines. We are advancing development of technology toward the reuse of parts as well as management systems for the reuse of parts in order to use vending machine parts that are collected in vending machines again. In 2021, the reuse rate of parts that required repair or maintenance was 58%. We are striving to effectively use resources by expanding the components to reuse parts even further in the future.

## ■Ensuring Reasonable Waste Disposal of Vending Machines

We are leading the industry in building a Vending Machine Waste Disposal System that collects and recycles vending machines to throw away, which we have expanded nationally since January 1997. We are strictly managing disposal from the initial selection of vending machines to discard to the final disposal in compliance with the revisions to the Wastes Disposal and Public Cleansing Act in April 2001. We are properly processing broken machines by understanding the amount of machines to collect based on the Act for Rationalized Use and Proper Management of Fluorocarbons even in regards to the fluorocarbons that are used as a refrigerant in vending machines.

## ■Installation of Vending Machines to Provide Beverages in Emergencies

We are developing and advancing the installation of vending machines to provide beverages in emergencies to contribute to building cities able to combat disasters. Normally, it sells beverages just like a regular vending machine, but in the event of a disaster or other emergency, it provides beverages free of charge. Beverages can be easily accessed even if the power goes out. Many people used this system after the Great East Japan Earthquake that struck in March of 2011. We are progressing with the installation of these vending machines centered upon public institutions, hospitals, and companies with roughly 25,000 units put in place through the end of 2021 by implementing wire type vending machines that have the benefit of not requiring maintenance in addition to battery-type vending machines. In Japan, we plan to actively introduce these types of vending machines in the future.



Emergency beverage vending machine

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## Initiatives in Sales, R&D, Offices, etc.

### Environmental Activities in Sales Divisions

#### ■ Reducing Environmental Impact of Sales Vehicles and Vehicle Accidents

We are proactively saving energy by replacing most of the vehicles used in our sales activities with hybrid vehicles. In addition, by introducing vehicle operation management systems and drive recorders that can acquire driving data such as distance traveled, driving behavior, and fuel efficiency in sales vehicles. We promote safe driving and eco-driving by feeding back the result of the analysis of collected data.

#### ■ More efficient Vending Machine Operations

Suntory Beverage Solution Ltd., which provides daily vending machine operations including product replenishment to beverage vending machines, has installed wireless systems in vending machines throughout Japan since 2013. We are able to analyze information such as the type and amount of products for refilling, the timing for refilling, and the most efficient route for refilling of each vending machine while allowing us to instantaneously obtain the sales trends of each and every vending machine. In addition, by switching to smartphones as operation terminals in 2020, we were able to improve data accuracy and usability. By utilizing these systems, we are reducing the number of visits to vending machines, reducing power loss caused by opening and shutting vending machines when refilling, reducing waste by refilling machines based on sales volume changes, and improving fuel efficiency by visualizing and optimizing daily product usage and product loading.

### Environmental Activities in R&D Sites

Since acquiring ISO14001 certification in 2007, the R&D sites (World Research Center/product development center) where about 700 employees work has been promoting environmental activities incorporated in daily work in the entire division. In 2013, in order to further strengthen cooperation with other departments as an R&D department deeply involved in the entire value chain of the Group, we incorporated ISO14001 operation, which had been conducted solely by the R&D department, into Group-wide operation and obtained integrated certification. It also promotes activities to reduce environmental impact in cooperation with plants and sales divisions while incorporating environmental considerations into daily operations.

#### ■ Latest Environmentally-friendly Equipment

Suntory World Research Center introduced equipment to reduce the environmental impact such as an arrangement of LED lighting through the entire facility, automated control of lighting and airflow through image sensors, temperature difference water supply, and the application of hybrid heat source equipment to concurrently use natural gas and electricity while eagerly using natural energy such as the application of top lights\*<sup>1</sup> that actively let in natural light. The same center has acquired Class S, which is the highest class of the Comprehensive Assessment System for Built Environment Efficiency (CASBEE)\*<sup>2</sup>. The furniture and construction materials also utilize Ikurinzaï - timber from cultivated forests\*<sup>3</sup> of the Suntory Tennensui (Mineral Water) Natural Water Sanctuaries.



Suntory World Research Center

\*1 Top light: Windows installed on roofs for natural light and ventilation

\*2 CASBEE: Environmental performance assessment for building overall developed by the Institute for Building Environment and Energy Conservation with the support of Ministry of Land, Infrastructure, Transport and Tourism in 2001.

\*3 Ikurinzaï - Timber from cultivated forests: Suntory Group calls wood material made from activities to nurture sustainable water and forests "Ikurinzaï - timber from cultivated forests"

## Environmental activities in the restaurant business

Pronto Corporation has been promoting "P LOVE GREEN" activities since 2010 with the theme of "More Green in Japan," and donates a portion of the sales of its "P LOVE GREEN Menu," which uses ingredients carefully selected according to their origin and production method. Donations are used for forestation activities to "plant, nurture, and use" to protect forest circulation, with the aim of being carbon neutral.

Pronto Corporation also promote sustainability through various environmental activities such as food loss reduction and introduction of energy-saving equipment and facilities. In 2017, the restaurant was certified as one of the Eco Mark restaurants (chains), meeting the Eco Mark restaurant certification criteria, the first such certification system for restaurants in Japan established by the Eco Mark Office of the Japan Environment Association.

## Environmental Activity in the Office

### ■ Installing Energy-saving Equipment and Reduction of GHG and Water Consumption by Employee Action

Various initiatives are carried out by all employees daily with higher awareness on saving energy in each office. The Odaiba Office in Tokyo installs use of reused water, automatic lighting control system, and human detection sensors for lights in toilets and escalators. Reduction of Green House Gas(GHG) emission are being promoted in each office by implementing cool biz and warm biz and actively using web conference system.

Preventing Global Warming

## Green Procurement and Purchase

We promote procurement of ingredients, materials and equipment that have low environmental impact through cooperating with each business partner.

### Promoting Green Procurement

Green procurement is selecting items and services that consider the environment, such as by not including hazardous substances or efficient use of resources, when selecting ingredients, materials and equipment to purchase.

Suntory Group has established Suntory Group Green Procurement Standard (revised 2011) based on the Suntory Group's Basic Policy on Supply Chain Sustainability and promotes procurement activities to lower environmental impact in corporation with each business partner.

#### Suntory Group Green Procurement Standard (revised 2011)

##### 1. Basic policy

Suntory Group strives to purchase ingredients, materials and services that have the lowest environmental impact as possible for items and services used in the Group to build a sustainable society.

##### 2. Prioritized items

- a) Consider not to use environmentally polluting substances, etc.
- b) Consider resource- and energy-saving through use of renewable resources, miniaturization, etc.
- c) Consider resources collection that does not damage the ecosystem
- d) Long-term use is possible through repair, parts replacement, etc.
- e) Whether if it is reusable
- f) Whether if it is design to be recyclable
- g) Whether if it is easy to dispose or treat
- h) Whether if it is environmental information about the item is disclosed
- i) Consider the items is manufactured or sold by business operator that actively engages in environmental preservation such as acquiring ISO14001

### Promoting Green Purchase

In purchasing goods, we are promoting green purchasing based on the "Green Purchasing Goods Guideline," which defines the criteria for green purchasing efforts, with the goal of achieving a higher purchasing ratio than in the previous year. We have also introduced an online purchasing system in which "green compliant products" are registered as standard items, and are expanding this system to the group companies.



Preventing Global Warming

# Reducing GHG Emissions throughout the Value Chain

## Reducing GHG Emissions throughout the Value Chain

We have set challenges for each division to reduce Green House Gas(GHG) emissions throughout the value chain related to our domestic operations, from raw material procurement, manufacture, distribution, sales to recycling. We are striving to meet the Environmental Targets toward 2030 for reducing GHG emissions from our direct operations by 50% and reduce GHG emissions across our entire value chain by 30% throughout the entire Suntory Group worldwide.

## Emissions Results

With the globalization of business, we are advancing to identify the results in each area.

### ■ Scope 1 and 2 emissions by area in 2021

Area	GHG emissions (thousand tons)				
	2019 Scope 1+2 (base year)	2020 Scope 1+2	2021		
			Scope 1	Scope 2	Scope 1+2
Japan	433	417	246	172	418
Americas	225	168	179	13	192
Europe	125	98	107	1	108
Asia	204	176	50	155	205
Oceania	19	13	9	4	13
Africa	8	6	8	0	8
Total	1,014	879	599	345	944

\* Data covers GHG emissions for the entire Suntory Group are calculated. (GHG emissions from small offices in countries other than Japan are excluded). Among the 944 thousand tons listed above, Scope 1 and 2 emissions from 27 production plants in Japan and 64 production plants overseas, and non-production sites in Japan (offices such as main office, training sites, R&D facilities, sales sites, restaurants and development sites) are 918 thousand tons ★ (Scope 1: 575 thousand tons ★, Scope 2: 343 thousand tons ★).

\* Among the 944 thousand tons listed above, GHG emissions from the Suntory Beverage & Food Group are 515 thousand tons. Among the 515 thousand tons, Scope 1 and 2 emissions from 10 production plants in Japan and 41 production plants overseas, and non-production sites in Japan (offices such as training sites, R&D facilities, sales sites) are 489 thousand tons★ (Scope 1 : 228 thousand tons★ ; Scope 2 : 262 thousand tons★).

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

\* Emission factors for GHG calculation are as follows:

Fuel:

For Japan: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from fuel suppliers or factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

GHG from Electricity consumption:

For Japan: The adjusted emission factors for each electric power company specified by the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from individual power suppliers or IEA emission factors by country.

GHG other than CO<sub>2</sub>:

For 27 plants in Japan: Factors specified by the Act on Promotion of Global Warming Countermeasures

\* The total may not match the sum of each figure due to rounding.

## ■ Changes in Scope 1 and 2 emissions



## ■ Scope 3 Emissions

### Suntory Group

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	4,669★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the beverage and food business, alcoholic beverage business, and health food business of the Suntory Group (in Japan and overseas) by the emission factors. 41% of Category 1 GHG emissions are calculated using emission factors calculated from the GHG emissions of suppliers of raw materials and packaging materials. [Contract manufacturers] Calculated by multiplying the volume of the products that Suntory Group (in Japan) , Suntory Beverage & Food Europe, and Frucor Suntory Group have outsourced to contract manufacturers by the emission factors.
2. Capital Goods	532★	Calculated by multiplying the amount of capital expenditure excluding land expenditure of Suntory Group by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	165	Calculated by multiplying the amount of energy consumed by Suntory Group by emission factors.
4. Upstream transportation and distribution	359	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Group by emission factors.
5. Waste generated in operations	19	Calculated by multiplying the weight of waste disposed by Suntory Group by emission factors.
6. Business travel	3	Calculated by multiplying the amount of business travel expenses of Suntory Group by emission factors.
7. Employee commuting	21	Calculated by multiplying the amount of commuting expenses of Suntory Group by emission factors.
8. Upstream leased assets	40	Calculated by multiplying the floor area of distribution centers rented by Suntory Group by emission factors.
9. Downstream transportation and distribution	152	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Group by emission factors.
10. Processing of sold products	—	None
11. Use of sold products	56	Calculated by multiplying the sales volume of goods of Suntory Group by emission factors.
12. End-of-life treatment of sold products	384	Calculated by multiplying the weight of packaging materials for products sold by Suntory Group by emission factors.
13. Downstream leased assets	403	Calculated by multiplying the amount of electricity used by vending machines leased by Suntory Group by emission factors.
14. Franchises	—	None
15. Investments	—	None
Total	6,803	

\* Data for the beverage and food business, alcoholic beverage business, and health food business of Suntory Group (in Japan and overseas). For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

## Suntory Beverage & Food Ltd.

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	3,475★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the Suntory Beverage & Food Group (in Japan and overseas) by the emission factors. 35% of Category 1 GHG emissions are calculated using emission factors calculated from the GHG emissions of suppliers of raw materials and packaging materials. [Contract manufacturers] Calculated by multiplying the volume of the products that Suntory Beverage & Food Group (in Japan) , Suntory Beverage & Food Europe, and Frucor Suntory Group have outsourced to contract manufacturers by the emission factors.
2. Capital Goods	237★	Calculated by multiplying the amount of capital expenditure excluding land expenditure of Suntory Beverage & Food by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	105	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food by corresponding emission factors.
4. Upstream transportation and distribution	259	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food by corresponding emission factors.
5. Waste generated in operations	6	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food by corresponding emission factors.
6. Business travel	2	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food by corresponding emission factors.
7. Employee commuting	15	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food by corresponding emission factors.
8. Upstream leased assets	25	Calculated by multiplying the floor area of distribution centers rented by Suntory Beverage & Food by corresponding emission factors.
9. Downstream transportation and distribution	120	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Beverage & Food by corresponding emission factors.
10. Processing of sold products	—	None
11. Use of sold products	43	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food by corresponding emission factors.
12. End-of-life treatment of sold products	356	Calculated by multiplying the weight of packaging materials for products sold by of goods of Suntory Beverage & Food by corresponding emission factors.
13. Downstream leased assets	368	Calculated by multiplying the amount of electricity used by vending machines leased by of goods of Suntory Beverage & Food by corresponding emission factors.
14. Franchises	—	None
15. Investments	—	None
Total	5,012	

\* Data for the businesses of Suntory Beverage & Food (in Japan and overseas). For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

### ■ Measures Against Global Warming

The Suntory Group is also working to combat the effects of global warming. The Suntory Group strives to raise awareness about ways to prevent heat stroke with the rising temperatures at elementary schools and companies. This initiative include the free provision of posters and leaflets (total of 14.1million copies distributed as of June 2022) to raise awareness about preventing heat stroke created together with The Education Newspaper to elementary schools throughout Japan and the support of heat stroke measures at each school. We are also linking to other activities to raise awareness about heat stroke by manufacturing and selling GREEN DAKARA which is recommended as a countermeasure to heat exhaustion\*<sup>1</sup>.

\*<sup>1</sup> The Ministry of Health, Labour, and Welfare recommends 40-80mg of sodium per 100mℓ as a countermeasure to heat exhaustion.

Initiatives toward a zero carbon society

## Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

In order to sustain business and continue to create value, the Suntory Group thinks it is necessary to identify risks due to climate change as well as their potential impact on business and respond appropriately.

The Suntory Group has expressed its support for the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations in May 2019. The TCFD was established by the Financial Stability Board (FSB).



In July 2019, Suntory also established seven important sustainability themes for the group and the reduction of Green House Gas (GHG) emissions is one of the key theme.

As part of our "*Mizu to Ikiru*" (literally meaning living with water) promise to society, we are working with our stakeholders to promote water sustainability initiatives by assessing the risks of water supply due to climate change, as well as water conservation and drainage under appropriate water management, and assessing the entire watershed. From here on, we will assess the risks and opportunities that climate change poses to society and businesses, as well as the resilience of strategies against these risks, and expand disclosure of related information.

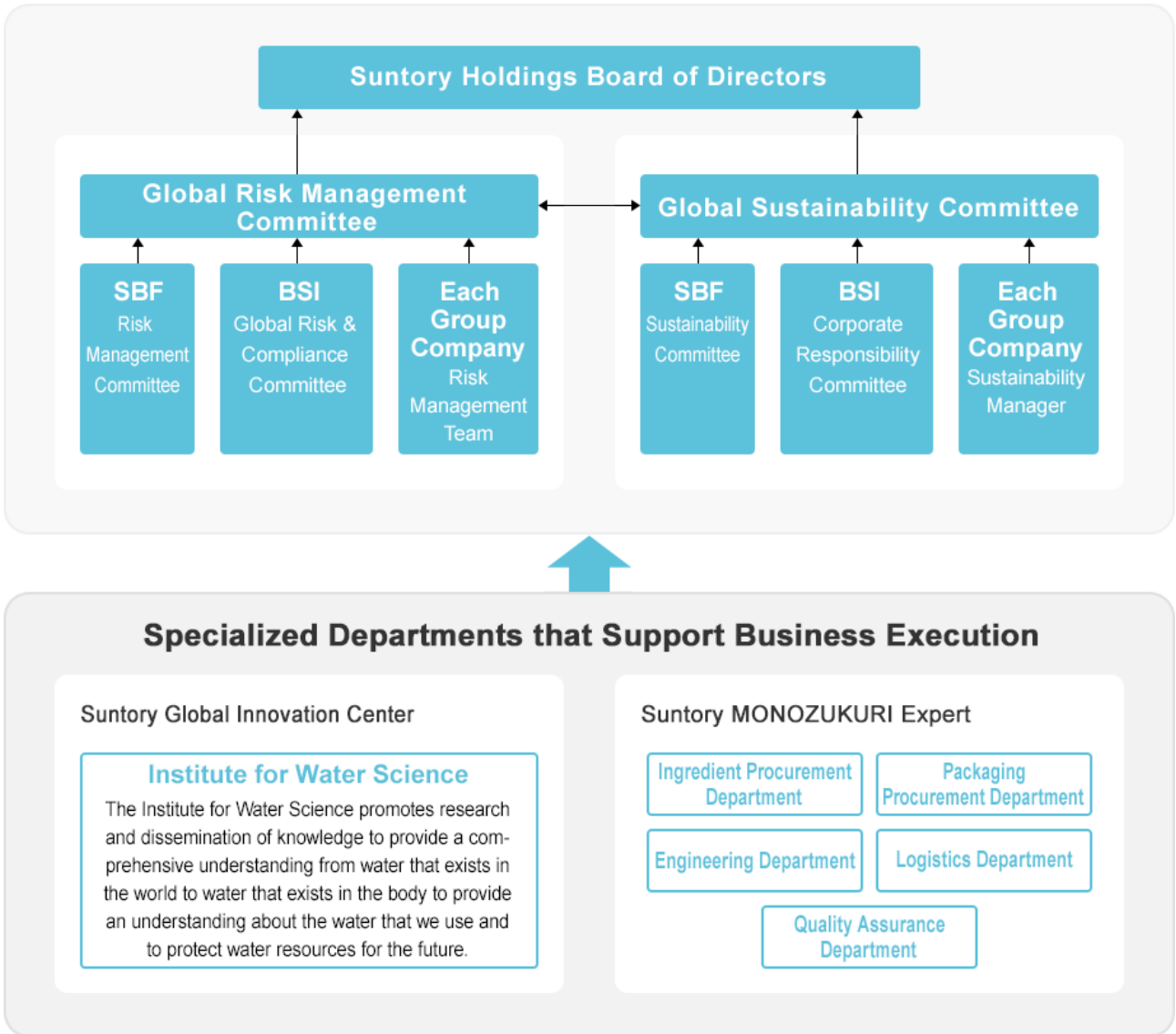
### 1. Governance

The Global Risk Management Committee (GRMC) was established in April 2015 in order to carry out risk management throughout the entire Group. We have established a risk management committee and risk management team based on this GRMC (e.g. installation of a Risk Management Committee at Suntory Beverage & Foods Ltd., the Global Risk & Compliance Committee at Beam Suntory, and the Risk Management Team at Suntory Beer Ltd.). Meeting four times a year, the GRMC identifies our risks, executes countermeasures, and engages in activities related to the establishment of crisis management systems. Climate related risks, one of the most serious risk categories, are discussed by the GRMC and the responses to those risks are then monitored.

Regarding opportunities and sustainability strategies related to climate change, the Global Sustainability Committee (GSC) discusses medium- to long-term strategies relating to the seven themes defined by the Sustainability Vision, and also discusses initiatives designed to reduce GHG emissions. In addition, we have established committees at each business in order to hold discussions about more specific strategies and initiatives (e.g., the Sustainability Committee was established at Suntory Beverage & Foods Ltd. and the Corporate Responsibility Committee was established at Beam Suntory).

The GRMC and GSC are in constant cooperation, and important matters to be discussed are further deliberated and resolved by the Board of Directors. Progress in implementing strategies related to environmental and social issues, and business risks and growth opportunities are reported to the Board of Directors on a quarterly basis. In addition, the Board of Directors provides opportunities to receive advice on climate change and sustainability management, such as by regularly holding study sessions led by invited external experts.

■ Organizational Chart



**Institute for Water Science**

Making the promise of "Mizu To Ikiru" to society, Suntory has established the Institute for Water Science as a specialized institution that promotes research and technological development in order to deepen understanding about the water that we use and promote water-related initiatives across our businesses. Mineral water and quality water is essential for producing Suntory products. This has led us to search for quality water since our founding. We believe that protecting water, using it carefully, and returning it to nature is our corporate social responsibility and important for realizing a sustainable society.

Based on hydrology, the Institute for Water Science conducts research on forests and water that nurture water sources, as well as on water resources in Japan and overseas. Furthermore, as a multi-faceted food and beverage company, we promote research and dissemination of knowledge for comprehensive understanding of water from "water in nature" to "water in living organisms," including research on health and taste in water.

## ■ Research Content

### Forest hydrology

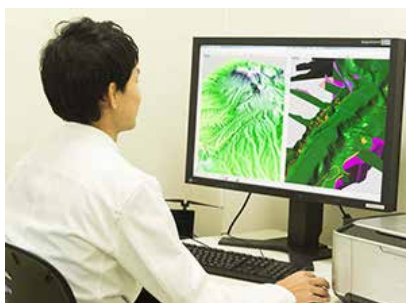
Suntory is broadening its Natural Water Sanctuary activities with the objective of cultivating more groundwater that is used by our plants by expanding forest areas. However, the types of management methods that will lead to healthy forests with high groundwater recharge have not yet been scientifically clarified. In cooperation with researchers in various fields such as hydrology, soil science, and vegetation science, the Institute for Water Science is establishing and scientifically verifying optimal forest management methods in forests in different environments, one by one, through trial and error. For example, in order to understand the relationship between forest management methods and water dynamics, we conducted an experiment in which forest areas comprised of planted Japanese cypress trees were intensively thinned (50% to 60% on a numeric basis). We clarified that intensive thinning increases the amount of rainfall in the forest, and that the flow rate of rivers increases stably, not only immediately after it rains. In addition, we measured the flow rate of spring water and river water in the forest and analyzed the water quality to find out when and where rain takes on the form of those water types and use it in forest management. In addition to information on topography and geology, we created a simulation model to visualize water dynamics based on the findings obtained from field surveys conducted in collaboration with a third-party organization and conducted research to estimate the amount of groundwater recharge.

### Sustainable groundwater use

We must have a detailed understanding of natural water cycles in each area if we want to use groundwater in sustainable and environmentally friendly ways. As previously mentioned, the Institute for Water Science carries out on-site investigations in collaboration with third-party organizations to assess water quality and quantity of natural spring and surface water and conduct monitoring operations in order to develop a detailed understanding of groundwater conditions.

### Global water resources

Communities around the world suffer from water scarcity, unsafe drinking water, and a host of other water-related challenges. Climate change can be a threat to agricultural production and growing regions, which in turn has an impact on people's lives and livelihoods. Suntory owes so much to water and believes that global water issues are by no means irrelevant. The Institute for Water Science has developed indicators capable of objectively evaluating the environmental impact of water use, taking into consideration water scarcity. These indicators are also being used by government ministries, companies, and other entities for environmental impact assessment. Furthermore, we are developing methods for assessing global water resource risks and promote the dissemination of related information to society.



## 2. Strategy

Recognizing that the risks and opportunities associated with climate change will have a significant impact on its business strategy, the Suntory Group works on scenario analysis, understanding the risks and opportunities that climate change poses to its business, and countermeasure implementation.

In response to risks, we have promoted efforts for water sustainability, such as understanding water supply risks, implementing appropriate water management, and evaluating all the watersheds that surround our sites.

As for opportunities, we are expanding our portfolio of beverages designed to prevent heat stroke that contain ingredients recommended by the Ministry of the Environment as products that conform with climate change countermeasures.

In product development, we use heat stroke prevention posters and leaflets in our heat stroke prevention education activities that are provided free of charge to elementary school students nationwide.

### ■Evaluating Risks and Opportunities Due to Climate Change

Among the physical and transition risks due to climate change, we have been working on physical risks since fiscal 2019. We have begun to examine water supply risks and stable procurement of raw materials, which are said to have a significant impact on the food sector.

#### Water Supply Risks

Water is the Suntory Group's most important raw material and a precious shared resource. Therefore, Understanding the impact on the Group's business activities, local communities, and ecosystems based on water-related risk assessments is essential for sustainable business growth.

Based on this, the Suntory Group conducted a risk assessment of sustainability of water supply at its own plants\*.

(\*23 production plants in Japan and 56 production plants overseas that produce products in the Suntory Group)

#### Water Supply Risk Assessment Process

##### ■Primary Assessment — Screening of plants to prioritize based on Science Based Targets (SBT) for Water

We revised the primary assessment conducted in FY2019 using a methodology developed in the SBT for Water pilot study\* in which we participated in 2021.

As a first step, we identified materialities related to water in our direct operations based on industry characteristics. Through this, we found that the most critical materiality is the water availability in watersheds where our plants are located. In terms of the ecosystem services on which the plant's operations depend, we found that the plant is highly dependent on groundwater and surface water.

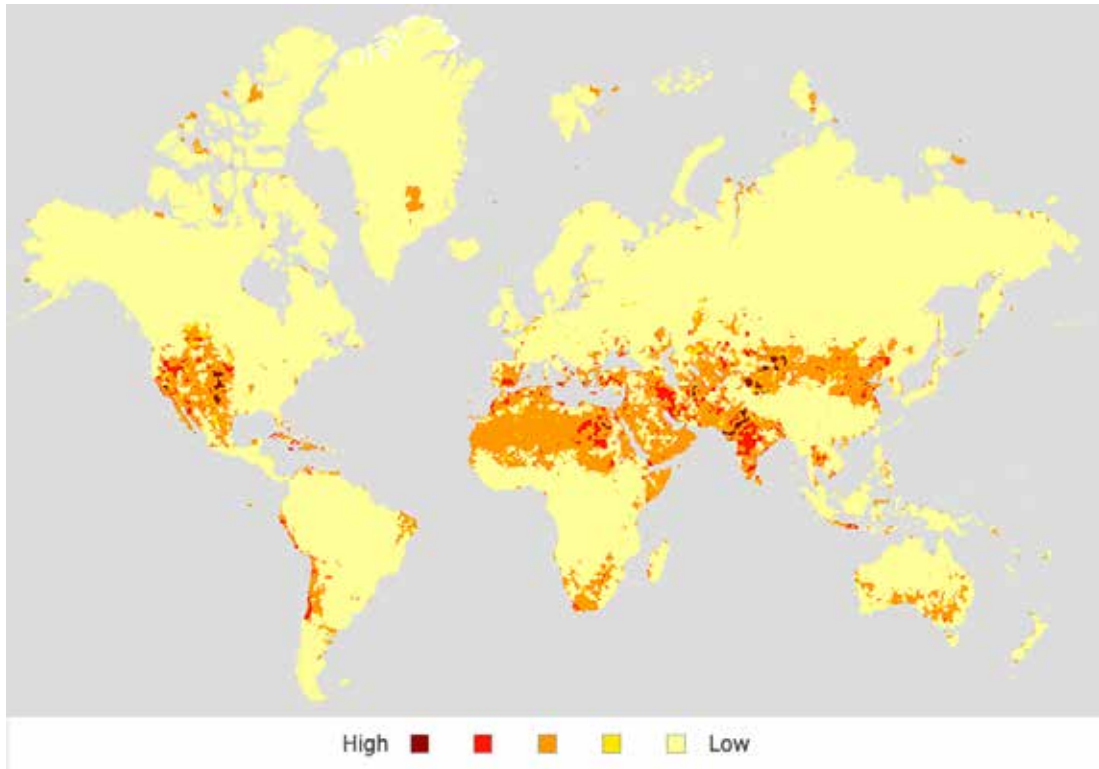
Next, we assessed water availability at all our plants to narrow down plants that need risk management as a priority. We used Aqueduct developed by the World Resources Institute, an international non-profit research organization for global environment and development issues, and Water Risk Filter developed by World Wide Fund for Nature (WWF), one of the world's largest environmental protection organizations. Specifically, we used four Aqueduct and Water Risk Filter indicators to assess water availability that is our materiality. We used these indicators to assess the water demand against the water supply in nature. To determine the current water stress situation, we used three indicators, such as "Water depletion" of Water Risk Filter, that show the current water resource status. Furthermore, we used the "2040 Water Stress" of Aqueduct, which estimate the state in 2040, to assess the risks related to water availability based on future scenarios such as climate change. Each indicator assesses the scale of risks in five levels, and we have calculated the average score of the three indicators to evaluate the current state of each plant. We categorized sites located in areas with an average score of "5: Extremely High" or "4: High" as sites with "Extremely high water-stressed." Also, the sites with a score of "2040 Water Stress" over four were categorized as sites with "Highly water-stressed."

As a result, of the total water withdrawal by all our plants in 2021, 3% were by sites with "Extremely high water-stressed." and 15% were by sites with "Highly water-stressed."

(\*Pilot study to verify methodology related to SBT settings for water by Science Based Targets Network)

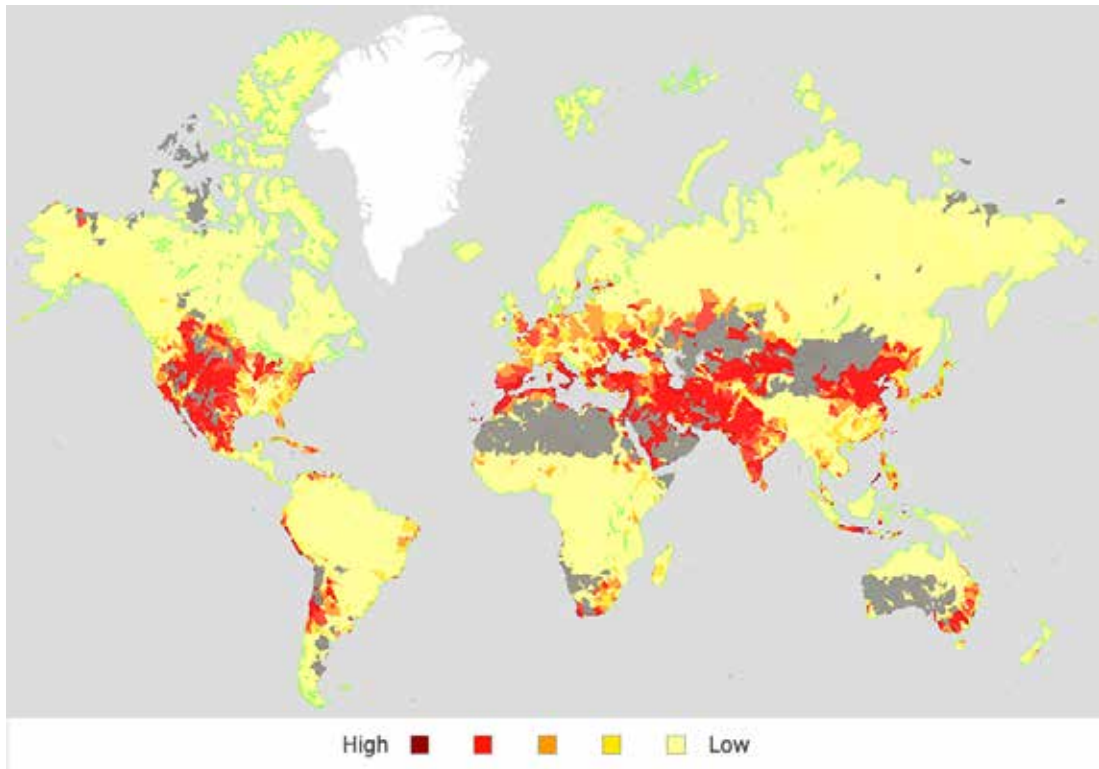


### Water Depletion of Water Risk Filter (Five Levels)

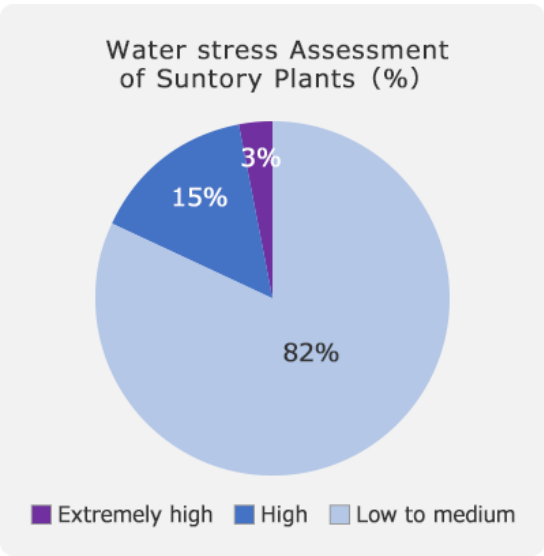


Source : Created based on Water Risk Filter of World Wide Fund for Nature (WWF)

### 2040 Water Stress of Aqueduct (Five Levels)



Source : Created based on Aqueduct Project of World Resources Institute



**Secondary Assessment — Individual site assessment**

Those sites narrowed down in the Primary Assessment were assessed individually on the progress of their measures to reduce risks from perspectives of water management (water withdrawal and water-saving) and co-existence with the community. Since each plant faces different water-related conditions in its respective area, we conduct measures to reduce risks that correspond with local conditions.

**Water Management**

The water resource is a precious shared resource that needs to be used appropriately, and it is important to conduct water management at plant for responsible use.

First, we categorized water used in our plants as natural water (surface water or groundwater) or municipal water. Municipal water is supplied through the local water authority, which charges a fee for its use and generally shares its water resources with a larger number of users due to its wider range of sources. As the water authority manages it, the work needs to be in close cooperation with the local water department to coexist with the local community. When using natural water (surface water or groundwater) as a source, it is sourced from smaller areas than municipal water, and the impact from climate change and other environmental changes is more significant. Furthermore, it is primarily managed by Suntory and as such, we prioritize the initiatives at factories that use natural water (surface water and groundwater).

We evaluate the following two points.

① **Management for water withdrawal**

- Promotion of activities to use water properly (not to draw too much water)
- Note: The local waterworks bureau manages all water withdrawal management for plants that use municipal water. Therefore, those plants are not evaluated.

② **Management for water-saving**

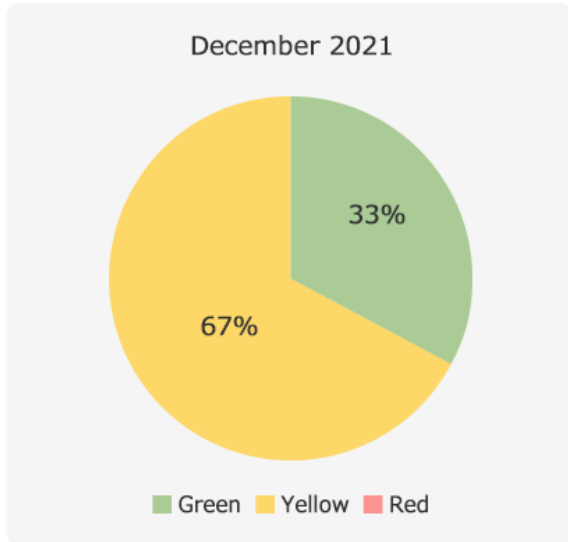
The ability to prove that water is being used properly (that water is not being wasted)

Water Management (water withdrawal) - Avoid taking in too much water -	Water Management (water saving) - Avoid using excessive water -
<ul style="list-style-type: none"> <li>• The ability to provide data that water withdrawal has no impact on the local environment.</li> <li>• Required data compiled for proof.</li> </ul>	<ul style="list-style-type: none"> <li>• The target was established to use water efficiently.</li> <li>• Conduct activities to achieve the target.</li> <li>• The target are achieved</li> </ul>
Water withdrawal data is not being managed → <span style="background-color: #FF6347; color: white; padding: 2px;">Red</span>	No medium-term target for water use per unit of production was established → <span style="background-color: #FF6347; color: white; padding: 2px;">Red</span>
Management of water withdrawal data is insufficient → <span style="background-color: #FFD700; color: black; padding: 2px;">Yellow</span>	No short-term target for water use per unit of production was established/achieved → <span style="background-color: #FFD700; color: black; padding: 2px;">Yellow</span>
Water withdrawal data is being managed, and water withdrawal is being handled properly → <span style="background-color: #3CB371; color: white; padding: 2px;">Green</span>	The target for water use per unit of production achieved → <span style="background-color: #3CB371; color: white; padding: 2px;">Green</span>

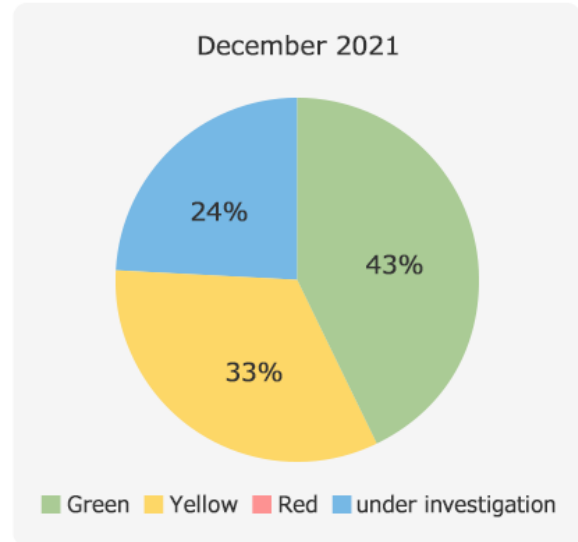
## Results of the Secondary Assessment

We implemented an action plan designed to reduce risks through visualizing risks and suggesting solutions. As of December 2021, 33% of the plants were evaluated as "Green," and 67% were evaluated as "Yellow" for water withdrawal management. For water-saving management, 43% of the plants evaluated were rated "Green," 33% were rated "Yellow," and 24% are currently under investigation.

### Water management for water withdrawal



### Water management for water-saving



Using the same process, we will continue improvement efforts prioritizing to high-risk areas.

## Co-existence with the Community

Recognizing that we are users of water resources and are one member of many stakeholders in the watershed, we aim to work hand-in-hand with other stakeholders to conserve the water resources in the watershed and to contribute to society's development.

**Co-existence with the Community**

Assessment criteria for the progress of measures to reduce risks are as the following:

- Water-related issues are identified.
- Working with the community to solve issues.

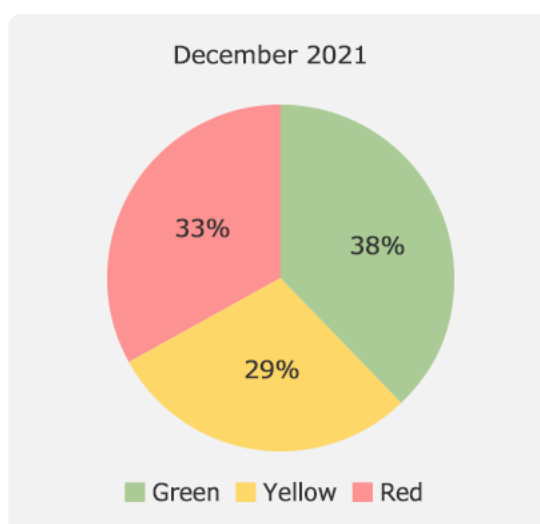
Insufficient "identification of water issues" → Red

Conducts "identification of water issues" → Yellow

Conducts "identification of water issues" and "initiatives with the community" → Green

## Results of the Secondary Assessment

We identify water-related issues and conduct water resource conservation initiatives with universities and experts in each area. As of December 2021, 38% of the plants were evaluated as "Green," 29% were evaluated as "Yellow," and 33% were rated "Red."



As we advance, we will coordinate with "Mizuiku" - Education Program for Nature and Water as part of the activities to raise awareness about the importance of water in areas where we promote water resource conservation activities.

Initiatives related to water resource conservation

<Japan-based Initiatives>

- Suntory Natural Water Sanctuary Activities
- "Mizu To Ikiru" - Education Program for Nature and Water
- AWS Certification

<Overseas-based Initiatives>

- Natural Water SanctuarySuntory
- Suntory *Mizuiku* - Education Program for Nature and Water

## Stable Procurement of raw materials

### Activities for stable procurement of raw materials

With regard to agricultural products and other raw ingredients that are essential to our products, we cooperate with business partners across the supply chain, identify social and environmental issues, and promote sustainability initiatives that enable us to grow together, thereby enriching our communities.

It is predicted that extreme weather, such as drought and flooding, occurring due to the rise in the Earth's average temperature due to climate change will have a major impact on production activities, including causing fluctuations in production volumes and creating the need to move to other locations which offer suitable cultivation. Furthermore, behind production and procurement activities lie social issues that negatively affect the human rights of people working in the supply chain. To offer our customers high-quality products and services, at the Suntory Group we believe it is crucial to promote sustainability throughout our entire supply chain. This means we need to give due consideration to environment and society, as well as to safety and reliability.

Based on this belief, Suntory Group established the Procurement Center of Excellence in April 2021 to promote long-term raw material strategy of the Suntory Group, optimum procurement globally and deliver sustainable procurement throughout the Group.

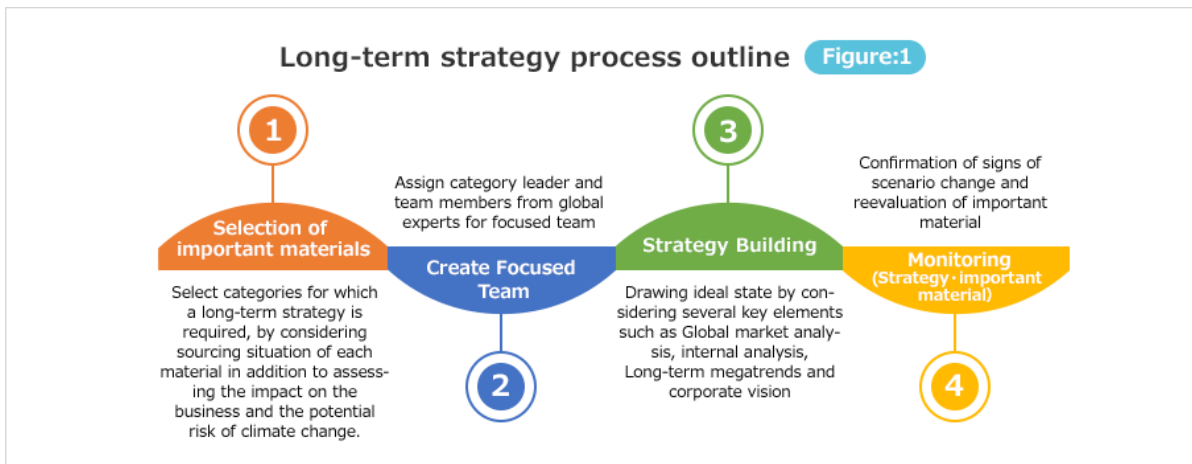
## ■ Overview of long-term strategy

The TCFD framework is used to formulate the strategy, and it also utilizes open scenario such as RCP2.6 (scenarios below 2°C), RCP 8.5 (4°C scenario) from the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) scenarios, to draw up the future world and understand risks and opportunities.

Furthermore, by focusing on our own policies such as Environmental Vision toward 2050 or The Suntory Group's Basic Policy on Supply Chain Sustainability and long-term trends specific to raw materials, we aim to create a vision of what we would like raw material procurement to be in the future world, and to find countermeasures based on the gaps between the current situation, so that we can respond to a wider range of social and environmental sustainability issues.

## ■ Activity Overview

The strategy development is based on the following steps:



### 1. Selection of important raw ingredients

- Identify materials that are particularly important for our business activities.
- Conduct risk assessment of materials handled in our business.
- Based on the results of the assessments, the materials for which long-term strategies are to be formulated are selected through consultations with related parties.

### 2. Creation of focused teams

- A team consisting of experts within the group from various departments such as research, development, procurement, and quality assurance is formed to work on the selected materials.

### 3. Building strategy

- Analysis of market, company, and trends by team of experts
- Analysis of future world scenarios and description of the ideal state within those scenarios
- Design of activities by backcasting from the future world back to the present to set issues

### 4. Strategy monitoring

- Monitoring of signs of scenario change and strategy revision based on prior assumption of change
- Revise road map of strategy building by reevaluating materials risk

## ■ Strategy Execution

The long-term strategy formulated by the team of experts is discussed with each operating company to promote its activities. The Global Sustainability Committee, which is an advisory body to the Board of Directors, also discusses the strategy on a regular basis.

## 2021 Progress of Activity

Based on the aforementioned approach to strategy formulation, we have implemented the following activities in steps 1 to 3 in 2021, which are described in detail below.

## ■Step.1 Selection of important raw materials

In 2021, we conducted a risk assessment of the sustainability of raw materials used in our alcoholic beverages and non-alcoholic beverages businesses to determine raw material items for which to develop long-term strategies.

### <Risk assessment process>

#### ①Extraction of important raw materials

The impact is defined as the loss of product sales that the business would suffer if there were a problem with the supply of raw materials, and raw materials with a high impact were extracted as priority raw materials, including agricultural materials such as barley and corn, the material that undergo a certain processing such as sugar, vitamin C, and oak wood.

#### ②Risk Assessment

To evaluate the possibility of problems in the supply of the extracted key raw materials - the effects of climate change on yield and suitable areas for cultivation, which are considered to have the greatest impact on future supply, were studied and evaluated from the research and statistical perspectives. One of the results is shown in Figure 2. For raw materials that undergo a certain amount of processing, the risk assessment considers the impact of climate change on the production area of the base material and the ratio of raw materials used in the process. (Example: for sugar, see the results of climate change impact assessment for sugar cane and sugar beet)

Based on the above approach, we found that the yields of agricultural raw materials such as barley, sugar cane and corn used in both alcoholic beverages and non-alcoholic beverages, oak and hops used in the alcoholic beverage business, coffee beans used in non-alcoholic beverages, will be significantly impacted in several production areas.

### Figure 2: Yield Impact Survey Results

Scenario of a 4°C temperature increase: Study of the effects of yield and suitable land on major raw materials and production area

-/+ Impact Below 10% ↓/↑  
 More than 10% ~ below50% ↓↓/↑↑  
 More than 50% ↓↓↓/↑↑↑

Business Sector	Material	North America	Latin America	Asia	Europe/Africa	Oceania
Alcoholic and non-alcoholic beverage*	Barley	Canada Yield: ↑↑			UK Yield: ↑↑↑ France Yield: ↓↓	
Alcoholic and non-alcoholic beverage*	Corn	USA Yield: ↓↓	Brazil Yield: ↓↓	China Yield: ↓↓		
Alcoholic and non-alcoholic beverage*	Sugarcarne		Brazil Yield: ↑↑	Thailand Yield: ↓↓		Australia Yield: ↑
Alcoholic beverage	Oak	USA Wood quantity: ↑↑		Japan Suitable land: ↓↓↓	Spain Suitable land: ↓↓↓	
Alcoholic beverag	Hop	USA Yield: ↓↓			Germany Yield: ↓ Czech Yield: ↓	
Non-alcoholic beverage	Coffee beans		Brazil Suitable land: ↓↓ Colombia Suitable land: ↓↓ Guatemala Suitable land: ↓↓			

\*Include origin of processed material

### ③ Formulation of activity plan

Based on the results of the survey, we consulted with the relevant departments and selected the following raw material commodities for which we will formulate a long-term strategy based on our overall judgment. In the future, we plan to increase the number of raw material items for which we will formulate long-term strategies on an annual basis based on this activity plan.

2021 : Ethanol, Coffee, Oak, Oolong Tea and Corn

2022 : Barley, Sugar, High Fructose Corn Syrup (HFCS), Vitamin C and Citric Acid

2023 : Lemon, Orange, Grapefruit, and Black Tea

2024 : Dairy, Wheat and Rye

Note) Coffee refer to the results of a climate change impact study on coffee beans. Similarly, fructose dextrose, vitamin C, and citric acid refer to the results of a climate change impact study on corn.

Prior to the above activities, we are working to mitigate the impact of climate change on our business with regard to hops, a raw material for alcoholic beverages, and blackcurrant, a raw material for beverages, as follows.

#### Hop

We have been working with the Czech Hop Research Institute to analyze the hop genome and develop cultivation techniques using materials to secure the necessary quantities on a permanent basis.



#### Blackcurrant

Suntory Beverage & Food Great Britain and Ireland has been conducting research on a new species of blackcurrant that is resistant to climate change. In July 2020, a new variety of blackcurrant that is more resilient to climate change named Ben Lawers blackcurrant was harvested. This was a result of a long-term joint research with the James Hutton Institute, a research institute for agriculture.



#### ■ Step.2 Creation of focused teams

Following the activity plan of Step 1, team of experts are being formed for Ethanol, coffee, oak, oolong tea, and corn in 2021.

#### ■ Step.3 Building strategy

We look ahead 30 years to the year 2050 for the raw material items for the task force was formed. While referring to publicly available scenarios from the IPCC, IEA, and other organizations, we envision changes in the future world at that time from an environmental perspective, including climate change impacts as well as from a social perspective, including financial impacts on human rights. Then, based on the trend analysis and the company's own goals, the ideal state of raw material procurement in the future world is drawn, and the way to reach this goal is examined.

#### ■ Next Step

We consider three-year cycle upon developing the long-term strategy, and activities will be carried out on an annual basis while incorporating new information on the market environment and the impact of climate change. In Step 4, Strategy Monitoring, which will be conducted after the strategy is formulated, we will periodically check for the occurrence of events such as the junctures of multiple possible scenarios and the success of technological innovations necessary to achieve the desired goals. This will enable us to capture important changes as much as possible in advance and revise the strategy to incorporate them.

### 3. Risk

Suntory defines "risk" as a potential event that affects the achievement of the Group's strategies and goals. Through the Global Risk Management Committee (GRMC) and the risk management committees and risk management teams established at each group company, we identify and evaluate important risks for the entire group and identify risks that should be prioritized for our company, consider countermeasures, and reviewing them on an annual basis.

#### ■ Risk Management System





## ■ Approach to Identifying and Evaluating Risks

For the risks identified, we create a heat map based on the two axes of "Risk Exposure" and "Degree of Response", evaluate the importance especially for group-wide material risks on a three-point scale, and identify the risks to be prioritized. "Risk Exposure" is calculated by probability of occurrence (probability) x magnitude of impact (impact), and "Degree of Response" is calculated by the degree of preparation for countermeasures. As a result of the evaluation, climate-related risks are positioned as one of the most important risk types.

### Assessment Criteria for Risk Occurrence (for reference)

Score	Level	Probability of Occurrence	Frequency/Speed of Occurrence
1	Extremely low probability of occurrence	5% or less	Once every 10 years
2	Low probability of occurrence	Around 25%	Once every 6 to 9 years
3	50-50	Around 50%	Once every 3 to 5 years
4	High probability of occurrence	Around 75%	Once every 1 to 2 years
5	Almost certain probability of occurrence	75% or more	Annually



### Assessment Criteria for Level of Impact (for reference)

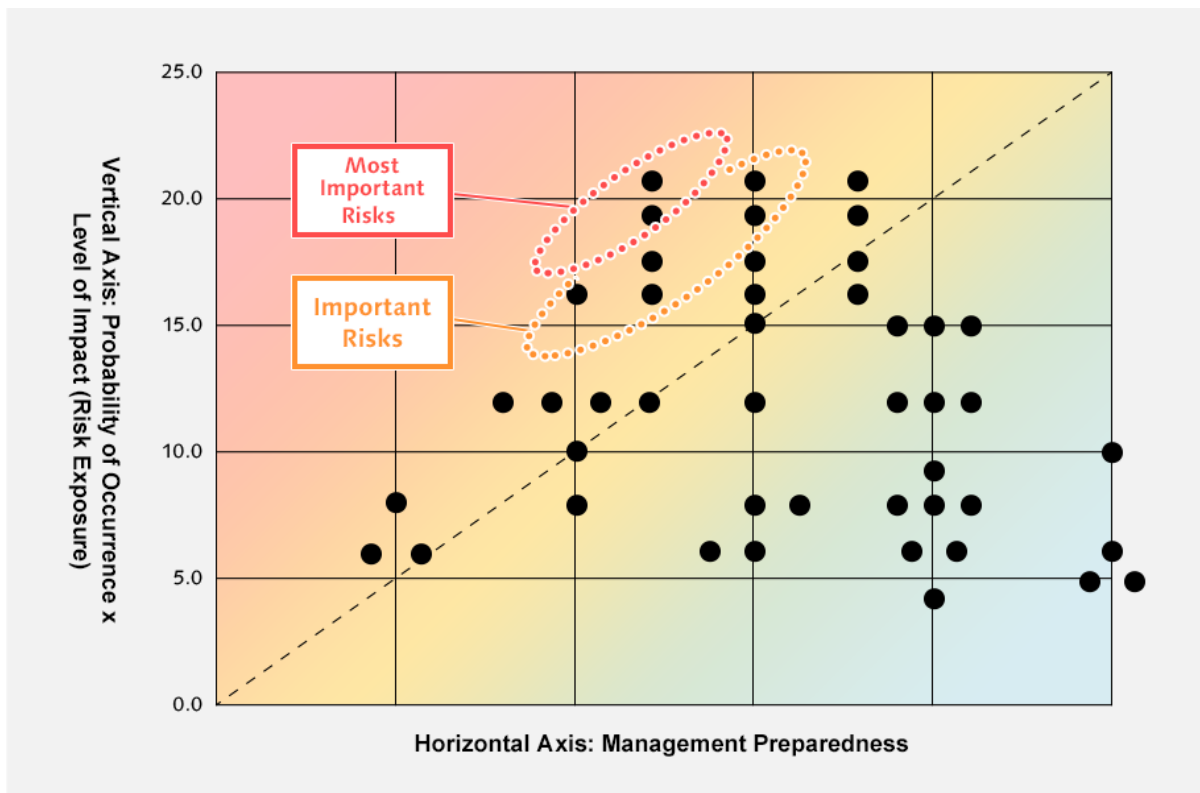
Score	Level	Quantitative Criteria	Qualitative Criteria*			
		Impact amount	Business (including human resources and technology)	Compliance (Legal/regulatory impact)	Reputation	Strategy (Impact on customers/ brand/ market)
1	Minimal Impact	Less than 1% of sales	<b>Examples of Factors to Consider</b> <ul style="list-style-type: none"> <li>Disruption of each operating unit</li> <li>Response to customers</li> <li>Disruption of operations on a company level</li> </ul>	<b>Examples of Factors to Consider</b> <ul style="list-style-type: none"> <li>Prosecution or investigation</li> <li>Fine or investigation</li> <li>legal liability</li> </ul>	<b>Examples of Factors to Consider</b> <ul style="list-style-type: none"> <li>Media reports</li> <li>Trust from stakeholders</li> </ul>	<b>Examples of Factors to Consider</b> <ul style="list-style-type: none"> <li>Delay in achieving strategic goals</li> <li>Impact on customer base and time required to restore it</li> <li>Impact on brand and market</li> </ul>
2	Some Level of Impact	1% to less than 2% of sales				
3	Large Impact	2% to less than 4% of sales				
4	Very Large Impact	4% to less than 8% of sales				
5	Definite Impact	8% of sales or higher				

\*Impact amount: For companies that control multiple companies, the amount of impact on the group as a whole

\*Qualitative Criteria: If the evaluation does not fit the quantitative criteria, evaluate with reference to qualitative criteria

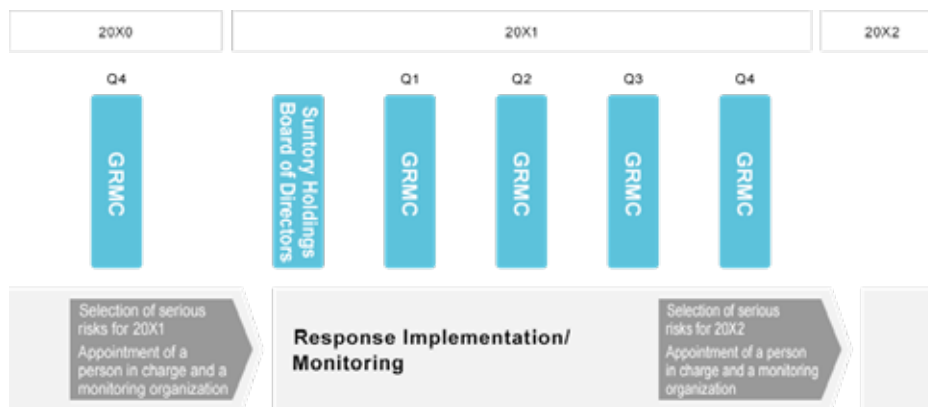
**Response Level Assessment Criteria (for reference)**

Score	Level	Response Status	Response Status
1	Poor	There are definitely points to be improved	Either no control or supervision or does not work as intended due to major flaws even if control or supervision exists.
2	Low	There are important points to be improved	Risk is still present because proper control/supervision is limited.
3	Medium	There is room for improvement	Control/supervision exists, but there is room for important improvements to be made.
4	High	There is still small room for improvement	Although proper control/supervision is being conducted, there is still small room for improvement in operations.
5	Excellent	Effective measures are already being implemented	Proper control/supervision is being conducted and operations run as intended.



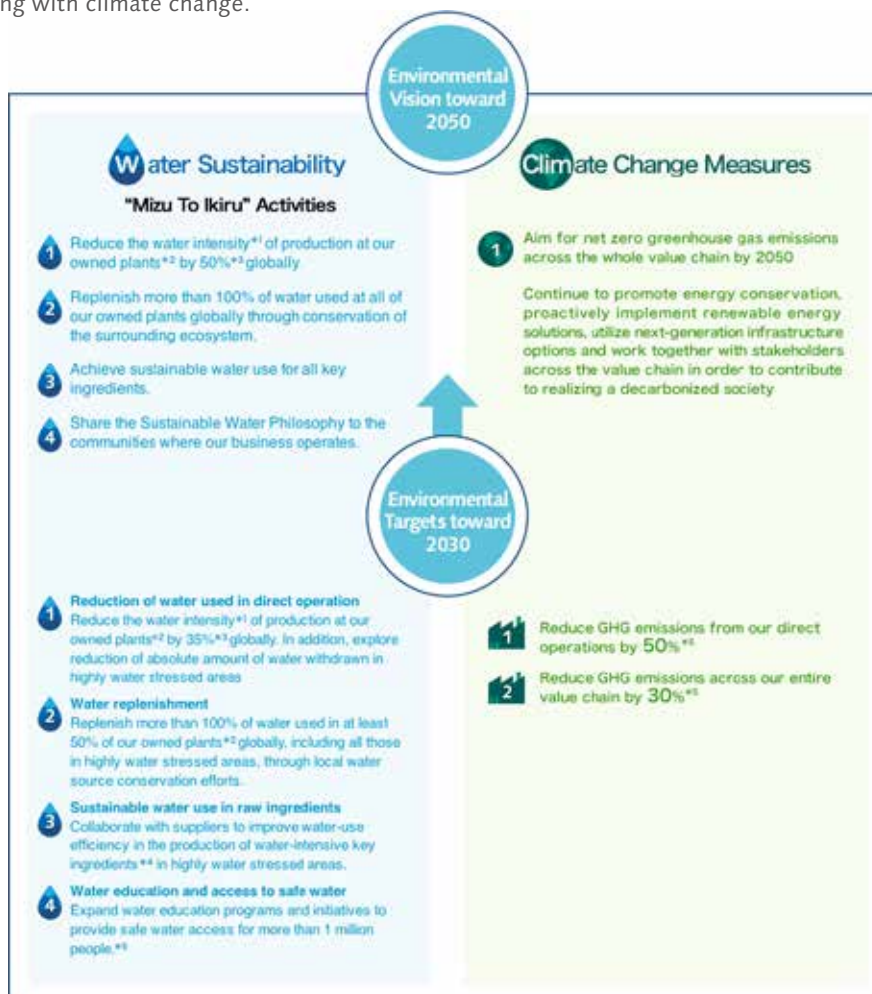
## ■ Approach to Managing Identified Risks

For the identified risks that should be prioritized, a person in charge and a monitoring organization will be appointed to implement the risk countermeasures. The response status is reported and discussed by the Global Risk Management Committee (GRMC), and the PDCA cycle of extraction, evaluation, countermeasures, and monitoring is carried out by selecting important risks for the next fiscal year based on the response results.



## 4. Indicators and Targets

Regarding climate change and water, which are expected to have a large impact on business, the Suntory Group has established "Environmental Targets toward 2030" as the medium-term targets with 2030 as the target year and "Environmental Vision toward 2050" as the long-term vision with 2050 as the target year, and are moving ahead with initiatives for dealing with climate change.



\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production

\*2 Owned plants that manufactures finished products and excludes plants for packaging and ingredients

\*3 Reduction of water intensity of production based on 2015 baseline year

\*4 Coffee, barley, grapes

\*5 Based on emissions in 2019

## ■ Initiatives

To achieve the 2030 target, we are globally promoting various water-related initiatives such as activities to conserve and restore the natural environment. We started the Natural Water Sanctuary Initiative to cultivate water resources in forests in 2003. Now we have 21 Suntory Natural Water Sanctuaries in 15 prefectures which cover a total area of approximately 12,000 ha and supply more than twice the amount of water used by our plants in Japan. In 2021, we signed a partnership agreement with the Alliance for Water Stewardship (AWS), an internationally prestigious organization that promotes water conservation and stewardship (responsible management of water resources) globally, to take a leadership role in promoting water stewardship in Japan.

As part of our GHG reduction efforts, we will aim to achieve 100% renewable electricity in the group's 63 directly-owned manufacturing sites and R&D facilities in Japan, the Americas and Europe by 2022. In addition, the company introduced internal carbon pricing to its group companies from 2021 and plans to invest a total of approximately 100 billion JPY (equivalent to approximately 900 million USD) by 2030 to shift to low-carbon alternatives. The company estimates that these actions together will amount to a reduction of approximately 1 million tons of greenhouse gas (GHG) emissions in its direct operations compared to a business-as-usual projection for 2030.



To Create Harmony with Nature: Environment

## Contribution to a recycling-oriented society

To build a recycling-oriented society, Suntory group will promote problem-solving efforts together with various stakeholders. Each employee of Suntory will work on taking responsible action to solve problems and take the initiative in bringing about a sustainable society.

Suntory Group Plastic Policy

SUNTORY

3Rs in Containers and Packaging



Promoting the Reduction and  
Recycling of Waste



Preventing Pollution and  
Management of Chemical  
Substances



Contribution to a recycling-oriented society

## Suntory Group Plastic Policy

### **Based on this Plastic Policy, Suntory will aim for fully sustainable plastic bottles in all the PET bottles used globally by 2030.**

The Suntory Group has formulated the Plastic Policy to provide strong leadership for transforming our current society into a recycling-oriented and zero carbon society, aiming toward the realization of a sustainable society. Our group is promoting sustainability management globally with the aim of realizing our mission "To Create Harmony with People and Nature" as stated in our corporate philosophy. In the field of containers and packaging, we have developed the world's first F-to-P direct recycling technology (see news release No. 13428) which eliminates some PET bottle recycling processes and simultaneously reduces environmental impact and increases recycling efficiency.

In addition, actions such as introducing for the first time to the world a PET bottle cap\* that uses 100% plant-derived raw materials and working toward developing a 100% plant-derived PET bottle are among efforts to develop PET bottles that have a low environmental impact and build a recycling system. Our medium-term goal is to use recycled PET materials for more than half of the total plastic bottle weight in our Japan-based soft drink business by 2025.

Based on this Plastic Policy, in addition to expanding our F-to-P production line, we aim for 100% sustainability by using only recycled or plant-derived materials for all PET bottles used globally by 2030 and achieving zero use of virgin petroleum-based materials.

\* Polyethylene caps made from 100 percent plant-derived raw materials in place ethylene, the main raw material. However, except for traces of oil-derived components and coloring components when the manufacturing line is switched

## Suntory Group Plastic Policy

Expressing gratitude toward the Blessings of Nature that are the source of Suntory's products, the Suntory Group will provide strong leadership for transforming into a recycling-oriented and zero carbon society to bring about a world where diverse animal and plant life shines and resonates. With its diversity in usage and convenience, plastic has made our lives easier.

The plastic containers and packaging we use serve a useful function, but to prevent them from having a negative impact on the global environment, we will promote problem-solving efforts together with various stakeholders. Each employee of Suntory will work on taking responsible action to solve problems and take the initiative in bringing about a sustainable society.

### 1. Recycle & Renewable:

(1) Aim to switch all the PET bottles used globally for Suntory products to be made of recycled or plant-based material by 2030, achieving zero use of virgin petroleum-based materials.

(2) Actively work and collaborate with government agencies, industry, environmental non-governmental and non-profit organizations for the measures necessary to develop an efficient recycling system based on the situation of each country where we do business.

### 2. Reduce & Replacement:

Reduce the amount of plastic used by changing the design of containers and packaging and look for the introduction of alternative containers that do not negatively impact the environment in order to effectively utilize resources.

### 3. Innovation:

Actively invest in innovation for materials and processes that improve the recycling rate and minimize environmental impact.

### 4. New Behavior:

Promote activities that drive change in consumer behavior. Each Suntory employee will work to change their lifestyle, promote sorting and collection, and actively participate in social contribution activities such as cleaning up rivers and beaches.

## Participation in alliances to the issue of plastics

### ■ Clean Ocean Material Alliance (CLOMA)

The Suntory Group has been participating in CLOMA, a public-private alliance established in January 2019 at the request of the Ministry of Economy, Trade and Industry since the alliance was established. Through this alliance, we aim to build an efficient recycling system that responds to country specific conditions by working closely with government agencies and the industry to develop and promote the use of plastic substitute materials and through information dissemination to overseas countries and technical consulting.

### ■ Global Plastic Action Partnership

In November 2019, Suntory Group joined the Global Plastic Action Partnership (GPAP), a global alliance co-founded by a coalition of public and private allies, harnesses the convening power of the World Economic Forum to bring together governments, businesses and civil society in the transition toward a circular economy for plastics. Its diverse network of members includes the governments of the United Kingdom and Canada, influential companies and investors, expert researchers and civil society organizations. In addition to fostering exchange, collaboration and scaling of solutions at the global and regional levels, GPAP is initiating pilot partnerships with the governments of Indonesia, Ghana and Vietnam to address projects at the national level.

## ■WWF Japan's "Plastic Circular Challenge 2025"

In February 2022, Suntory Group participated in WWF Japan's (World Wide Fund for Nature Japan) "Plastic Circular Challenge 2025". Under this Japanese domestic framework led by WWF Japan, participating companies will aim to solve various issues related to plastics by committing to a milestone set for 2025 regarding containers and packaging/single-use plastic and enhancing their activities under a "sustainable circular economy" approach.

## Establishment of A New Company R Plus Japan to Work on the Recycling of Used Plastics

Suntory Group and Anellotech, Inc., a biochemical venture firm in the United States, have worked in a collaborative development of a plastic bottle that uses 100% plant-derived raw materials. Through this development, we were able to discover new possibilities for developing an efficient recycling technology for used plastics with low environmental impact. This technology is one of the most unique, ground-breaking technologies in the world, which can be expected to recycle plastics with less CO<sub>2</sub> emissions and energy consumption than ever before. Aiming for the actual utilization of this technology, 12 companies\* (including Suntory) within the plastics supply chain established R Plus Japan Ltd., a joint venture company focused on the recycling of used plastics. 40 companies (as of the end of June 2022), including overseas partners and companies across industries, are collaborating to take on the challenge of realizing a recycling-oriented society together.

\*TOYOBO Co. Ltd., Rengo Co. Ltd., Toyo Seikan Group Holdings Ltd., J&T Recycling Corporation, Asahi Group Holdings Ltd., Iwatani Corporation, Dai Nippon Printing Co. Ltd., Toppan Printing Co. Ltd., Fuji Seal International Inc., Hokkaican Co. Ltd., and Yoshino Kogyosho Co. Ltd.



Contribution to a recycling-oriented society

## 3Rs in Containers and Packaging

We consider the environment in the entire product life cycle from planning and product design to transport and post-consumption recycling.

### Setting Environmental Standards for Containers and Packaging

Containers and packaging protect and preserve the quality of products until reaching the customers. However, most of them become waste after the content is consumed by the customer. Suntory Group recognizes the social and environmental impacts that containers and packaging cause and established voluntary "Guidelines for the Environmental Design of Containers and Packaging" in 1997. Designs are made following the Guideline such as selecting material for labels and color of glass bottles that consider recycling. In addition, we are engaging in initiatives from the stand point of Life Cycle Assessment (LCA) to reduce environmental impact of containers and packaging.

### 3Rs of Containers and Packaging

The Suntory Group works to develop containers and packaging that give consideration to the environment, based on the 3Rs of "Reduce, Reuse, and Recycle". We work on reducing the weight, using materials with less environmental impact, and designing packaging that is easy to recycle, while taking into consideration usability from the time customers drink the product to the time it is recycled. We also work in collaboration with various recycling organizations and local governments to promote recycling.

#### ■ 3Rs of Containers and Packaging

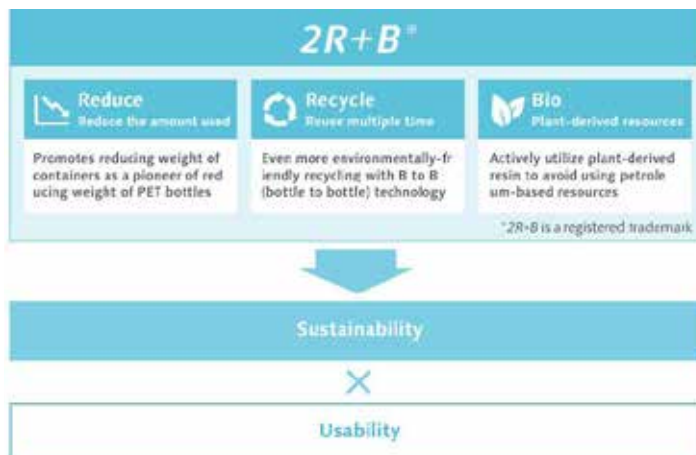


## Plastic Bottles

As a measure to minimize environmental impact, we design and develop our products by minimizing the amount of resources used and actively introducing renewable resources, while taking into consideration ease of use for our customers.

### ■2R+B strategy

In regards to plastic bottle containers, we are striving forward according to our 2R+B strategy that is unique to Suntory. The concept is to replace petroleum-derived raw materials with renewable raw materials to the extent possible, while reducing the amount of resin used and using recycled materials in development to achieve thorough and effective use of resources.



### ■Reduce: Lightweighting

#### Environmentally-friendly Green Eco Bottle\*<sup>1</sup>

The 550mℓ Suntory Tennensui natural mineral water is packaged in the most lightweight PET bottle in Japan\*<sup>2</sup> (11.9g).

The bottle design was developed using Suntory's own technology, and it allows us to reduce the use of petroleum-derived ingredients by approximately 40% per bottle. By bringing the weight to 29.8g, we were the first in Japan to achieve the weight of less than 30g for 2ℓ bottles.

\*<sup>1</sup> An original name we give to PET bottles that have reduced environmental impact by using methods such as ground breaking weight saving such as realizing lightest weight bottle in Japan or using plant based materials.

\*<sup>2</sup> Plastic bottles for mineral water (500mℓ to 600mℓ) in Japan. As of November 2020



Green eco bottle

#### Introducing Record Breaking Thinnest Roll Label\*<sup>1</sup> for Plastic Bottle Beverages in Japan

We are reducing the weight of product labels on plastic bottles to reduce environmental impact. We were able to realize the thinnest plastic bottle roll label in Japan at 16μm (micrometer\*<sup>2</sup>) in 2012. An even thinner label at 12μm has been introduced to the 2ℓ plastic bottles and 550mℓ plastic bottles of our Suntory Tennensui mineral water in April 2014. Thereafter, we have been advancing the expansion to all of our products that use roll labels. This has allowed us to reduce CO<sub>2</sub> emissions by 25%\*<sup>3</sup> compared to conventional labels.

\*<sup>1</sup> Labels that peel off from the glued area instead of peeling off at the perforations

\*<sup>2</sup> 1/1,000mm

\*<sup>3</sup> Reduction rate in the film (label) manufacturing process



12μm thick roll label, thinnest in Japan

### Adoption of bottle cap that uses 100% bio-based PET materials\*1.

We are also reducing our environmental impact in the bottle caps on plastic bottles. Since September 2016, we have adopted 1.85g bottle caps, which are the lightest in Japan\*2 that use 30% bio-based PET materials for Suntory Minami-Alps Tennensui mineral water. This innovation reduces the use of petroleum-derived raw materials by 35%\*3 and decreases CO2 emissions by 27% compared to conventional PET bottle caps.

In addition, we have further evolved our environmental efforts by using bio-based materials and in March 2019, we began introducing polyethylene caps with 100% plant-derived ethylene for 550mℓ Suntory Aso Tennensui mineral water which is manufactured at our Kyushu Kumamoto Plant (Kamimashiki District, Kumamoto Prefecture). This innovation reduces the use of petroleum-derived raw materials by 90%\*2 and decreases CO2 emissions by 56% compared to current PET bottle caps.

\*1 Polyethylene caps with 100% plant-derived ethylene as the main raw material. Excluding trace amounts of petroleum-derived components and colorant components at the time of production line changeover.

\*2 As of April 2020

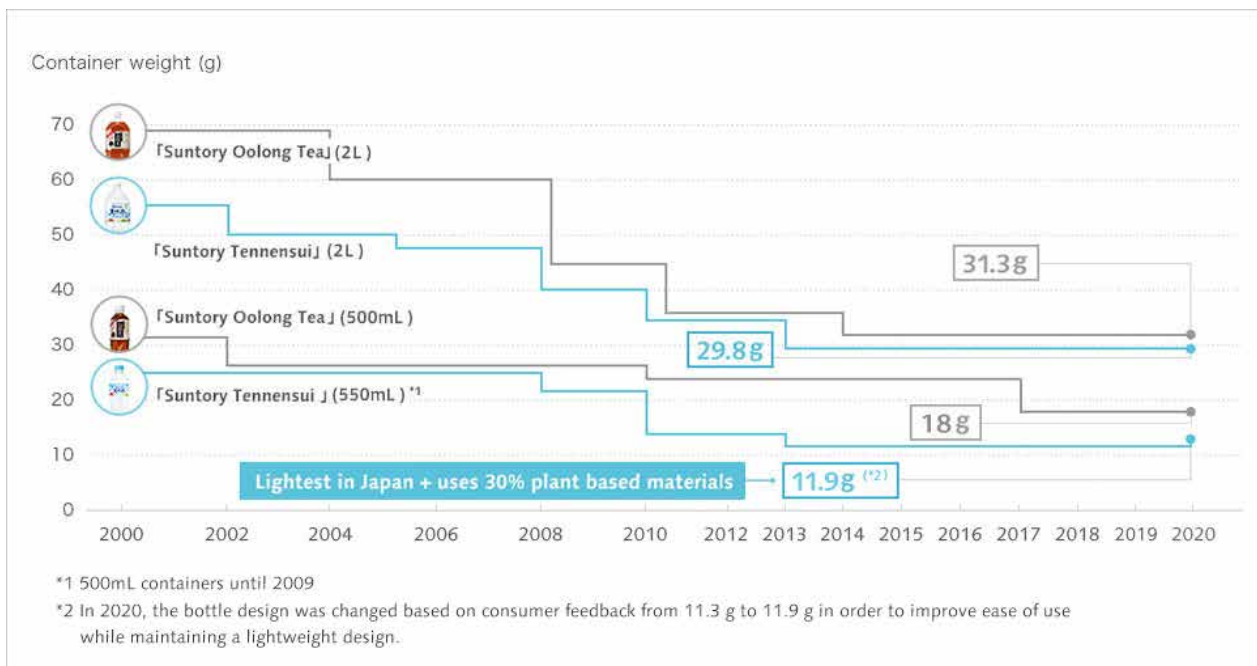
\*3 One bottle of Suntory Tennensui Mineral Water (550mℓ)

\*4 One bottle cap of Suntory Tennensui Mineral Water (550mℓ)

### Evaluation from Society

Suntory Foods International Ltd. received the 2016 Minister of the Environment Award for Promoters of the Development of a Recycling-Oriented Society in recognition of its environmental impact reduction activities, including the world's first introduction of beverage PET bottle caps made from 30% bio-based materials.

### Primary lightweight plastic bottle products



### In-house Blow Molding PET Bottles

The Suntory Group is promoting in-house molding to produce PET preforms from PET resin and blow then into PET bottles. This enables integrated design and management from bottle molding to filling, reducing the amount of resin used and also making it easier to reduce the weight of the bottle.

In addition, fuel and CO<sub>2</sub> emissions during transportation are reduced compared to when purchasing finished PET bottles. Furthermore, by recovering and reusing the high-pressure air used in PET bottle molding, we use energy efficiently and reduce CO<sub>2</sub> emissions.



PET resin  
CO<sub>2</sub> emissions can be reduced 50% or more.



Preform made from resin



Shaped PET bottle

### Plastic Bottle Development in the Spirits Business

We are taking great advantage of the technology cultivated in our soft drink business in our spirits business. Suntory Spirits Ltd. has launched the 4ℓ 110g plastic bottle, which is the lightest in Japan, to whisky products such as Kakubin, Torys and other alcoholic products starting from June 2016. By making it up to 18% lighter than the conventional 134g or 120g, the use of PET resin is reduced, resulting in an annual CO<sub>2</sub> emissions reduction of approximately 460 tons (17%)\*. We have also removed the grip used on conventional PET bottles and adopted a new deep grip section in the center of the bottle for ease of use in collaboration with the PET bottle manufacturer.

\* Based on our calculations



Old 4ℓ plastic bottle and new lightweight 4ℓ plastic bottle

### Development of World's Lightest\* Heat-resistant Plastic Bottles Leveraging Japanese Technological Capabilities

The Japanese manufacturing technology and design capabilities for reducing weight of plastic bottles have been used in Group companies in Europe.

In 2017, we have successfully developed a heat-resistant PET bottle for Suntory PepsiCo Vietnam in Vietnam that is the lightest in the world (18g). Creating the lightest heat-resistant bottle project was a technological challenge in this region, but we have succeeded in the project through mutual cooperation with Suntory MONOZUKURI Expert, Ltd. and Suntory PepsiCo Vietnam Beverage Co., Ltd.



Lightest heat-resistant bottle in South East Asia

As an initiative to further reduce the weight of PET bottles, we utilized a technology to prevent bottles from deforming by injecting nitrogen and pressurizing the bottle. In 2020, we successfully developed world's lightest 15g PET bottle in the heat-resistant filling container category that also pursued functionality, versatility and design and introduced it to Suntory PepsiCo Beverage (Thailand) and Suntory Garuda Beverage in Indonesia. We plan to introduce it to Suntory PepsiCo Vietnam in Vietnam in the future.

\* In the 500mℓ class of heat-resistant PET bottles (as of April 2020, according to our research)



Lightest (15g) nitrogen instilled heat-resistant bottle in the world

### PET Bottle Self-Manufacturing Technology at Beam Suntory

Beam Suntory has been introducing its first bottle self-brewing technology for 1.75 l spirits since 2017. This self-manufacturing process has enabled weight reduction of bottles by 14%. In addition, reduction in weight and transporting preforms instead of bottles have greatly improved efficiency in transport, contributing to the reduction of environmental impact.



Products adopting self-manufacturing technology

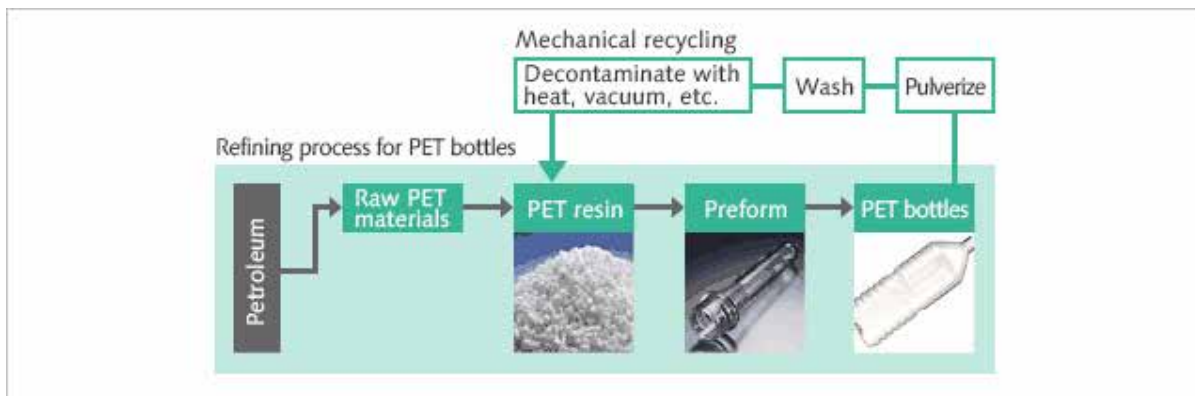
### Recycle: Recycling Plastic Bottles

#### PET Resin Horizontal Recycling through PET Bottle Recycle in Japan

In 2011, Suntory Beverage & Food Ltd. partnered with Kyoei Sangyo Co., Ltd. to develop the Japanese beverage industry's first B-to-B\*<sup>1</sup> mechanical recycling system\*<sup>2</sup> for PET bottles.

Reused PET resin was 50% at the time of introduction but after confirming that stable supply was possible after about a year of operation, we increased the percentage of reused PET resin to 100%. This PET bottle using 100% reused PET resin is used for many products including 2 l Suntory Oolong Tea and Iyemon.

This system received Commendation for Contributors to the Development of a Recycling-oriented Society in 2011 and 2012, and Commendation for Global Warming Prevention (Technological Development and Commercialization Category) in 2011 both from the Minister of the Environment, and Nikkei Global Environmental Technology Excellence Award in 2011 for the first time in the food industry. We also received the 21st Global Environment Award in 2012 and Environmental Excellence Award hosted by the Hitachi Environment Foundation and Nikkan Kogyo Shimbun, Ltd. in 2013.



The recycled PET bottles produced by mechanical recycling take on a color during the process but they have no quality issues and safety issues. The mechanical recycling system have highest cost efficiency and lowest environmental impact\*<sup>3</sup> (CO<sub>2</sub> emissions from raw material procurement to preform manufacturing) among PET bottle recycling systems adopted in Japan as of 2022.

\*1 B-to-B: "Bottle to bottle," signifying the creation of a new PET bottle from a recycled one.

\*2 Mechanical recycling: A method in which recycled resin obtained by material recycling (used products are processed by crushing, washing, and made into raw materials for products again) is further processed under high temperature and reduced pressure for a certain period of time to remove impurities in the recycled material and make PET resin of suitable quality for beverage containers.

\*3 Based on our research

## Adoption of F-to-P direct recycling technology

In 2017, as part of our recycling efforts, we collaborated with Kyoei Sangyo Co., Ltd. and overseas machinery manufacturers (EREMA in Austria and SIPA in Italy) to develop F-to-P direct recycling technology which is expected to further reduce environmental impact. We began production in the fall of 2018. F-to-P direct recycling technology is a technology that can directly manufacture preforms after melting and filtering flakes made from collected PET bottles that have been crushed and washed at high temperatures. The F-to-P direct recycling technology can reduce CO<sub>2</sub> emissions by 70%\* compared to virgin PET bottles. (Current mechanical recycle can reduce CO<sub>2</sub> emissions by 60%\*.)



F-to-P direct recycling equipment



Products that use F-to-P direct recycling technology

\* Processes from used PET bottles to the preform production.

## Active Implementation of Recycled PET Bottles within the Group

To achieve the 2030 fully sustainable PET bottle goal, Suntory Beverage & Food Europe aims to achieve 50% recycled contents in its PET bottles by 2025 or sooner. Suntory Beverage & Food Europe brand Ribena was the first soft drinks brand in the UK to use a 100% PET bottle made from recycled plastic in 2007. The company has been increasing its use of recycled plastic - in 2021 this included the introduction of 100% recycled PET in May Tea and Pulco in France. In 2022, Suntory Beverage & Food Europe has started 100% recycled PET bottles in its Lucozade Sport brand in the UK and Ireland.

Suntory Beverage & Food Asia Pacific, with its main operations in Vietnam, Thailand and Indonesia, is also strengthening its efforts on recycling and has introduced the company's first 100% recycled PET bottles in Vietnam in 2022.



## Development of The World's First PET Bottle Chemically Recycled with Enzyme Technology

Suntory Beverage & Food Europe is investing in a French green biotech company Carbios' enzymatic PET recycling technology through a consortium with L'Oréal, Nestlé Waters and PepsiCo. Carbios' optimized enzyme breaks down any kind of PET plastic (regardless of color or complexity) into its building blocks, which can then be turned back into like-new, virgin-quality plastic. In June 2021, Carbios produced the world's first food-grade PET plastic bottle prototypes made entirely from enzymatically recycled plastic which was showcased in the company's Orangina brand. In September 2021, Carbios successfully launched a demonstration plant and aims to build an industrial facility by 2025.

## Product Labels Made with Recycled PET Bottles

Suntory Beverage & Food Ltd. introduced product label made with recycled PET bottles in part of 2ℓ bottles for major non-alcoholic beverages such as (Mineral Water) Suntory Tennensui, Iyemon and Suntory Oolong Tea in November 2010 and currently uses role label\* method for all its products.

This label is the first role label in the industry to use recycled PET bottles and the percentage of recycle PET used has been increased from 60% to 80% in March 2012.

\*Labels that peel off from the glued area instead of peeling off at the perforations



Roll label made with recycled PET bottles

## ■ Bio: Active Use of Plant-based Resin

### Aiming for 100% plant-based plastic

The Suntory Group aims to replace petroleum-derived raw materials with renewable raw materials as much as possible in the development of plastic bottles. We implemented plastic bottles that use 30% bio-based PET materials for the Suntory Tennensui mineral water 550ml in 2013.

Suntory Holdings Ltd. and Anellotech, Inc., a green innovation and technology company in the United States, have worked in a collaborative development of a plastic bottle that uses 100% plant-derived raw materials, and construction has begun in 2016 on a development and testing plant to produce plastic bottle materials in the state of Texas. In the future, we are planning to introduce PET bottles made from 100% plant-based materials for Suntory Tennensui mineral water brand of Suntory Beverage & Foods Ltd. In the development process, we aim to produce "paraxylene," a precursor of terephthalic acid which constitutes 70% of PET bottle materials, exclusively from inedible plant-based materials (woodchips) so as not to affect the supply chain of materials for food use.

We have successfully created a prototype PET bottle made from 100% plant-based materials in 2021. This marks a breakthrough after a nearly decade-long partnership with the US-based sustainable technology company Anellotech.



Development and testing plant

## Cans, Glass Bottles, and Barrels

### ■ Reduce: Lightweighting

#### Lightweighting in Cans

We are furthering the lightweighting in cans such as those used for beer and coffee by aiming to dramatically reduce the amount of resources that are used while maintaining the usability for customers.

We have conducted initiatives for aluminum cans that include shrinking the diameter of the lid of beer cans in 2008 and the bodies of aluminum cans containing low-alcohol beverages such as beer and Chu-Hi in 2014. In addition, the promotion of even more lightweighting is underway with the introduction of thinner bodies even in steel cans for coffee.



Boss Rainbow Mountain Blend  
The Premium Malt's  
-196°C Chu-Hi Strong Zero <Double  
Lemon>

#### Lightweighting in Glass Bottles

The medium-sized glass bottle for The Premium Malt's has achieved weight savings of roughly 10g to 460g in 2014. The thickness of the body section that the label is adhered has been designed 0.2 to 0.3 millimeters thinner to prevent damage by bumping into other bottles. We are also improving the shape of the bottle so it does not get damaged when opening the bottle with cap opener and other improvements in the quality of the bottle.



The Premium Malt's medium glass bottle

## ■Reuse: Promoting Collection and Reuse of Containers

### Reusing Glass Bottles and Barrels

Returnable containers (bottles, barrels) for beers and non-alcoholic beverages for restaurants are used often and we collect them via our own route and wash them for repeated use. Furthermore, we support the collection of glass bottles that are disposed of by liquor stores and restaurants through building collection routes in the distribution channel by specialized business operators since 1974.

One-way bottles are collected through effective sorting and collection routes by municipalities and other organizations.

### Pilot Implementation of The "Loop", A Circular Shopping Platform

Beam Suntory' Sipsmith has partnered with Loop and Tesco to pilot a closed loop system in 10 stores. This initiative allows consumers to purchase a Sipsmith bottle in store, sip it responsibly at home, and the return it to a participating Tesco store. Sipsmith estimates that its Loop bottle will result in 15% less carbon emissions compared to its standard bottle, in addition to glass materials diverted from landfill or recycling.

Beam Suntory is also piloting a cloud-based life cycle assessment (LCA) solution, tailored for packaging design evaluations. The software's environmental performance criteria and data will be leveraged to analyze our existing packaging and help inform future packaging decisions across our portfolio, taking into consideration packaging attributes, consumption and emissions metrics, and life cycle phases.

## Paper Packs and Cardboard

### ■Reduce: Lightweighting

#### Reducing Weight of Cardboard

As part of the initiative, short flap cardboard cartons for beverages of small size plastic bottles started from spring of 2012 based on the philosophy of reducing environmental impact in cooperation with the industry. Through this, we reduced the use of paper by about 20% compared to conventional cardboards. Short flap cardboards have been introduced for beer and RTD products since 2019.



Short flap cardboard cartons that reduce cardboard usage on its sides

### ■Recycle: Easier-to-Collect Containers

#### Shifting to Recycled Paper Containers

Paper containers were introduced for shochu and spirits in April 2010 and for wines in February 2014. Approximately 90% of the containers for alcoholic beverages have been changed to more recyclable paper containers.\*<sup>1</sup>

We have been using containers with evaporated aluminum on its inside for preserving quality but it was difficult to separate paper and aluminum when recycling. The new paper container implements vapor deposition of non-aluminum transparent material to improve ease of recycling.

\*1 As of May 2020



"Wheat Shochu Muginoka" "Suntory Umeshu" "Delica Maison"



## Achieved 100% Use of FSC®-certified Cardboard

The Suntory Group is gradually adopting paper packaging materials that have acquired the FSC certification\*1 that ensures proper management of international forests for products made in Japan. Suntory Beverage & Food Ltd. introduced FSC-certified cardboard packaging to Suntory Tennensui mineral water for products manufactured from August 2017. Since the end of February 2018, we have achieved 100% use of FSC-certified cardboard used for packaging all our Suntory Tennensui brand products. We are promoting the use of FSC-certified paper packaging materials throughout the Group with the sequential adoption of these materials for Suntory Spirits Ltd. products and as packaging for six packs.



\*1 Forest Stewardship Council (FSC) is an international organization that certifies timber produced from forests globally as well as the distribution and manufacturing processes of the cut timber. This certification considers the environmental conservation of these forests and recognizes timber produced in an economical and sustainable manner which generates revenue for the local community. This certification considers the environmental conservation of these forests and recognizes timber produced in an economical and sustainable manner which generates revenue for the local community.

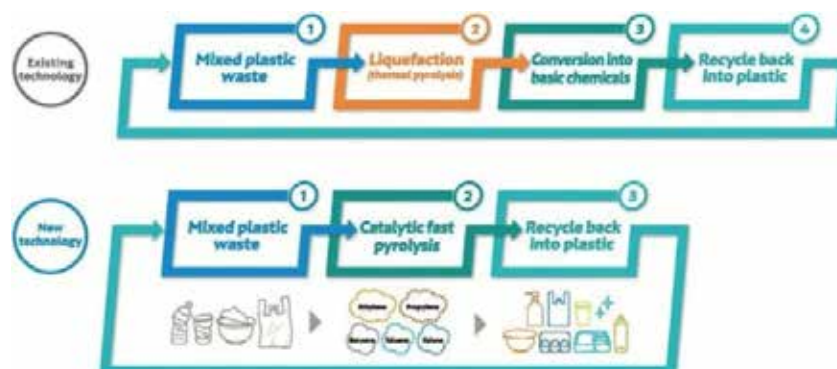
## Collaboration with Industry and Local Governments for Packaging Recycling

### Establishment of R Plus Japan to Work on the Recycling of Used Plastics

12 companies(including Suntory) within the plastics supply chain established R Plus Japan Ltd., a joint venture company focused on the recycling of used plastics.

It is said that many of the plastics that are not PET bottles are being currently incinerated in Japan. This technology enables plastics including PET bottles to be chemically recycled by directly returning such plastics to benzene, toluene, xylene, ethylene, propylene and other materials. It requires less treatment process compared to other chemical recycling that require liquefaction and is hoped to reduce CO2 emissions and energy use. If this technology is established, we believe more used plastic can be recycled efficiently.

R Plus Japan will cooperate with Anellotech to develop technology for recycling used plastics that is efficient and has lower environmental impact. We will strive to achieve practical use of technology to contribute to solving the global issue of plastics through cross-industry cooperation with companies engaging in separation of collected plastics, monomer manufacturing, polymer manufacturing, package and container manufacturing as well as trading companies and beverage manufacturers.



Conventional technology and new technology

## Promoting Horizontal Recycling with Local Governments

Suntory Beverage & Food Ltd. has signed an agreement on bottle-to-bottle recycling operation to recycle used PET bottles to new PET bottles jointly with the residents, local government and businesses with two cities and two towns (Takasago City, Kakogawa City and Inami and Harima in Kako District in Hyogo Prefecture) of Higashiharima in 2021, with the aim of creating a recycling-oriented society.

With this agreement, the two cities and two towns of Higashiharima and Suntory will collect and recycle used PET bottles separated by the residents as new PET bottles at a plant in the region to deliver and return them to the Higashiharima area. Cooperation of multiple local governments and a company in bottle-to-bottle recycling as well as manufacturing, delivering and returning the recycled PET bottles all within the region under the scheme are both first attempts in Japan. This agreement will promote bottle-to-bottle direct recycling and further strengthen environmental protection activities aimed to realize a recycling-oriented society.

## Efforts to Prevent Scattering of Empty Containers

To beautify the environment and promote effective use of resources, we are engaged in activities to prevent the scattering of empty containers. We place one empty container collection box at every vending machine. We are also making efforts to raise awareness about recycling by affixing a Beautification Mark on vending machines as a way to prevent littering.



## Installation of an industry-unified recycling box with new function next to vending machine

From the autumn of 2022, we will start deploying recycling boxes with industry-standard specifications for outdoor areas where there is a lot of contamination.

The industry-unified recycling box with new function has been verified to be effective in reducing contamination through measures such as the downward facing insertion slot.

In order to promote the horizontal recycling of PET bottles, we are focusing on collecting used PET bottles from vending machines.

It increases operational efficiency and contributes to resource recycling of PET bottles.

Suntory Group will continue to use the recycling box next to the vending machine as the gateway to resource recycling, and will continue to raise awareness of the message that "it is not a trash can, but a recycling box."



## Marine Pollution Problem of Plastic Bottles

The problem of marine pollution caused by plastic containers, including plastic bottles, is becoming increasingly serious and is discussed as a global environmental issue. As a beverage company that handles many containers, we are committed to proactively addressing this issue and working with the government, local communities, and industry to resolve it. We have always been promoting 2R+B while expanding activities to raise consumer awareness about recycling.

In the future, we aim to improve the recycling rate even further in each country and region around the world and will encourage activities to promote improvements together with our various stakeholders.

In addition, as part of employee volunteer activities, employees in Japan participate in beach cleanup activity organized by a non-profit organization, while overseas, Beam Suntory employees participate in cleanup activities along the Chicago River basin, in an effort to raise awareness so that each and every employee will see this issue as his or her own and take action.

The Suntory Group formulated the Plastic Policy in June 2019 and aims for 100% sustainability by using only recycled or plant-derived materials for all PET bottles used globally by 2030 and achieving zero use of virgin petroleum-based materials.



Beach Cleanup Activity



Activity with Friends of the Chicago River

Contribution to a recycling-oriented society

## Promoting the Reduction and Recycling of Waste

As part of our efforts toward establishing a recycling-oriented society, Suntory is working to reduce emissions of by-products and waste and to achieve 100% recycling.

### By-products and Waste Generation Performance

Area	Amount of discharge (thousand tons)		
	2019	2020	2021
Japan	251	228	218
Americas	193	156	410
Europe	113	95	119
Asia	32	32	30
Oceania	5	7	7
Africa	0	0	0
Total	594	518	783★

\* Data covers 27 production plants in Japan and 64 production plants overseas

\* The increase in emissions in the Americas is due to the addition of waste and by-products to be included from FY2021. The amount of the waste and by-products increased by 238 thousand tons due to the addition.

\* Therein, the byproducts and waste generated by Suntory Beverage & Food Group companies in Japan and overseas amount to 148 thousand tons★

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

### Promoting the Recycling of Waste

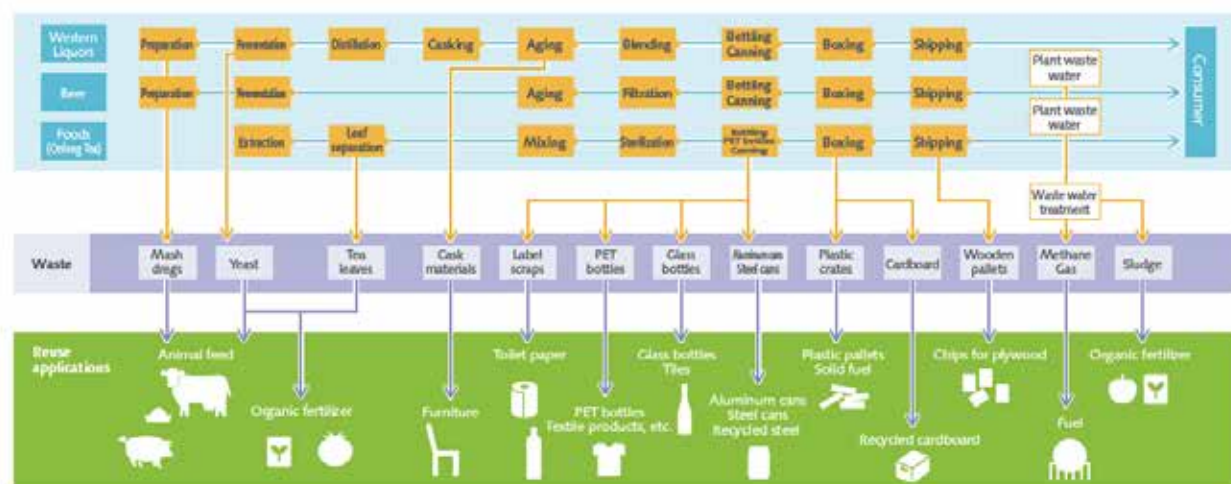
We are committed to reducing the by-products and waste generated in the manufacturing processes at Suntory Group plants in Japan, and to recycling 100% of resources.

In 2021, our plants in Japan (including Group companies) generated 217,925 tons of byproducts and waste. This means total waste generated is the same and by-products and waste amount per unit of production decreased by 7.5% compared to 2021.

Suntory Beverage & Food Europe is working to reduce and recycle waste with the goal of achieving zero waste from its plants. We have also set a goal of reducing food waste from our products by 50%. As part of our efforts to achieve this goal, we donate surplus products to charitable organizations to help those suffering from poverty.

#### Recycling Rate of Japanese Plants and Flow for reuse of by-products and waste generated in each production process

	2017	2018	2019	2020	2021
Amount of discharge (thousand ton)	258	258	251	228	218
Amount recycled (thousand ton)	258	258	251	228	217
recycling rate (%)	100.0	100.0	99.9	100.0	99.7



### By-products and Waste generation, recycling rate and the purpose of use for recycled products

Type of waste	Main Purpose of Use	2017		2018		2019		2020		2021	
		Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)	Generation (t)	Recycling Rate(%)
Vegetable (glycation, tea, coffee dregs, etc.)	- Animal feed - Fertilizer	195,334	100	187,818	100	181,524	100	164,185	100	159,273	100
Sludge (excess sludge, etc.)	- Fertilizer	30,351	100	30,472	100	31,245	100	30,275	100	27,337	100
Wood waste (cask, palette)	- Animal feed - Fertilizer	1,314	100	4,435	100	2,458	100	5,186	100	5,267	100
Glass and ceramic scrap	- Glass materials - Base course material	3,508	100	3,216	100	2,825	100	2,285	100	1,337	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	6,349	100	6,228	100	6,429	100	5,520	100	5,508	100
Plastic	- Palette - Solid fuel - Supplementary fuel	5,918	100	6,138	100	6,338	100	6,033	100	5,796	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	2,958	100	3,240	100	3,270	100	3,314	100	3,506	100
Other		12,632	100	16,405	100	17,365	100	11,558	100	9,903	93
Total		258,365	100	257,951	100	251,454	100	228,355	100	217,925	99.7

\* Data covers 27 production plants in Japan

## ■Applications of recycled materials

We are furthering resource recycling for the by-products and waste produced by the Suntory Group in various applications.



Barrel cabinet



Dining Set "TARURU"



Drink sampling tray made from barrel

### Building a Recycling Circulation Cycle for Food Waste -- Izutsu Maisen Co., Ltd.

Izutsu Maisen Co., Ltd. is actively working to reduce and reuse food waste so as not to waste the precious gifts of nature. One predominate initiative is the setup of a recycling circulation cycle for the crusts of bread.

Izutsu Maisen cuts off the crusts of the bread when they make their popular fried pork cutlet sandwiches. These bread crusts are generally given to business operators who are able to recycle them as feed, but Izutsu Maisen launched their original Amai-Yuwaku pork brand that raises pigs on this feed in 2012 because the crusts are perfect as feed. This is an initiative that uses the bread crusts once again in a cycle as a raw material such as in the pork cutlets once.



Original Amai-Yuwaku  
pork brand

Contribution to a recycling-oriented society

## Preventing Pollution and Management of Chemical Substances

Although the majority of our raw materials are of natural origin, environmental impact will occur, so we assume environmental risks and take the necessary measures.

### Environmental Risk Management Strategies

The products provided by the Suntory Group mainly use agricultural products and water, so the environmental risk from raw materials is lower than in other industries. Nevertheless, chemicals are used in the manufacturing process to clean and sterilize equipment and can contaminate the surrounding environment. Therefore, we consider all possible abnormalities and emergencies, evaluate risks, and implement countermeasures.

### Preventing Air Pollution

The Suntory Group strives to reduce SOx and NOx emissions by switching to gas fuel that does not contain sulfur and adopting low NOx burners. We have set voluntary standards that are stricter than legal limits and control air pollutants in exhaust gas from boilers.

#### ■ SOx emissions

	2019	2020	2021
Emissions (t)	16.8	10.4	3.4
Per Unit (g/kℓ)	3.5	2.2	0.7

\* 27 production plants in Japan

#### ■ NOx emissions

	2019	2020	2021
Emissions (t)	152.0	151.6	141.8
Per Unit (g/kℓ)	31.6	32.2	29.4

\* 27 production plants in Japan

### Preventing water pollution

Wastewater management is conducted at each factory by setting voluntary standards that are stricter than legal limits.

## Preventing Soil Pollution

Suntory Group plants use chemical substances to clean equipment. These are strictly controlled, and efforts are made to prevent them from leaking. However, even if a cleaning agent or chemical leaks out, liquid control dam surrounding chemical tanks will prevent to pollute soil. We carry out periodical inspections to prevent pollution.

## Measures for Alcohol Evaporation

Some amount of alcohol vaporizes from the cask during the storage of whisky. We place collection equipment to prevent any evaporated alcohol from escaping the plant. In addition, regular monitoring (concentration measurement, etc.) is done to confirm if alcohol evaporation is being reduced.

## Chemical Substance Management

Suntory Group manages chemical substances in accordance with Pollutant Release and Transfer Register (PRTR) Law, Poisonous and Deleterious Substances Control Act, Fire Service Act and other related laws. Furthermore, we make a guideline on chemical substance management based on PRTR Law (established 2003).

## Management of Waste

We promote to introduce an electronic manifest system for compliance with waste law and enhance information control of waste. In addition, we continue to implement training programs for production sites, sales offices, cultural sites, head office functions, and group companies to improve their knowledge and skills in waste management through methods such as group training, on-site visits, and role-playing to ensure the proper disposal of waste. We call such a lecture as "Waste management seminar" and "Surveillance seminar at waste treatment facility" to skill them up the knowledge and the audit ability on waste management. We continue initiatives for compliance with waste law.

## Management of PCB Disposal

We store PCB wastes appropriately and report their storage status to the local government based on "Law Concerning Special Measures Against PCB Waste". We have registered to Japan Environmental Storage & Safety Corporation (JESCO) as a subcontractor for the disposal of PCB and began disposal of equipment that includes PCB from 2007. Status of the use and storage of equipment that includes PCB is as follows.

### ■Quantity of equipment that uses PCB (as of January 2022)

	Stored	Used	Total owned
Capacitor	2	0	2
Transformer	5	0	5
Stabilizer for lighting device	1	0	1

## Claims, Accidents and Lawsuits

There were no claims, accidents or lawsuits related to environment in 2021.



To Create Harmony with Nature: Environment

## Environmental Communication

Suntory Group values communication with the stakeholders and communicates information related to Suntory's spirit of "Coexisting with Nature" to the society.

### Appropriate and Timely Disclosure of Information and Communication

Feedback and requests from stakeholders regarding environmental activities gathered through dialogue and customer center are utilized to improve target and activities. In addition to responding to feedback, we also communicate environmental information through issuing sustainability report, website and environmental events.

#### ■ Website Communicating Detailed Information

The "Environmental Activities" website introduces detailed information regarding environmental activities. It regularly adds and updates information in effort to offer the latest information.



Environmental Activity website

#### ■ Environmental Communication at Plants

Suntory Group welcomes approximately 700,000 visitors to tour its beer, whisky, mineral water and other plants. These tours include a section on the environment to introduce related activities. We also hold special events where parents and children can enjoy and learn about the environment and its importance. For the Corona disaster, we offer online tours and virtual factory tours.



Event for parents and children



Environment section in the plant

**■Corporate Ad to Share the Tagline "Follow Your Nature" with the Society**

Under the corporate mission "To Create Harmony with People and Nature", Suntory Group is engaging in environmental activities to pass down sustainable global environment to the next generation; and various cultural and social contribution activities such as community contribution through social welfare, education, and support for disaster relief; promotion of arts, academia and local culture; support for sports, and development of next generation.

To communicate our wish to be a company that enriches society like water through these activities and products, we established "Mizu To Ikiru", literally "living with water", as our promise to society. In 2013, we placed environmental ads in newspapers and on television with the theme of water resource cultivation activities in Natural Water Sanctuaries. The Television commercial "Suntory Natural Water Sanctuary (Soil Cultivation)" received the Grand Prize in the Environmental TV Commercial category at the 17th Environmental Communication Awards hosted by the Ministry of the Environment and Global Environmental Forum.



Newspaper ad  
"Suntory Natural Water Sanctuary"



Television commercial  
"Suntory Natural Water Sanctuary"  
(Soil Cultivation)

To reach more customers and communicate Suntory's environmental activities, we placed newspaper ads and television commercials "Researching Suntory by Alien Jones" from 2014 to 2016 (television commercial ended on March 2016).



First television commercial  
"Joining the Company"  
(from Jy 2014)



Second television commercial  
"Natural Water Sanctuary: Lecture"  
(from October 2014)

From 2018 , we have been placing new ads in newspapers with the message of "To Create Harmony with People and Nature", the promise which Suntory Group make with our customers, community and natural environment, to broadly communicate the importance of water to society.



Newspaper ad  
"To Create Harmony with People and Nature"

Sustainability Initiatives

# To Create Harmony with Society Cultural and Social Contribution

The origin of cultural and social contribution activities of the Suntory Group goes back to the spirit of Giving back to Society of Suntory founder Shinjiro Torii. Our approach is to continue pursuing the ideal cultural and social contribution that will be passed from generation to generation, and we work across a wide range of cultural and social contribution activities, including the development of next generations, support for disaster affected areas, contribution to local communities, supporting challenged sports, and promoting employee volunteer through arts and culture, sports, and social welfare. We value communication with local communities through engagement efforts in each region as part of all of our social contribution activities.



Arts, Culture, and Sports



Social Welfare



Developing the Next Generation



Contributions to Local Communities

## SUNTORY

### Basic Policy on Social Activities

The Suntory Group has worked in various community contribution activities since its founding to support the realization of a society where people are able to enjoy fulfilling lifestyles. We formulated the Suntory Group Basic Policy on Social Activities to fulfill our global social responsibility together with our Group companies.



### Arts, Culture and Academic Activities

We work on the promotion of humanities, social sciences, and bio-organic research in addition to artistic and cultural development that contributes to the growth of rich culture and lifestyles.



### Sports Activities

In order to contribute to the enrichment of people's lives and culture, we focus on the promotion of sports.



### Social Welfare

We work in charitable and social welfare activities based on our giving back to society spirit since our founding.



### Developing the Next Generation

We believe it is our mission as a company to nurture people who will play a role in the next generation. We are expanding various activities to support the development of children.



### Disaster Recovery Support

We provide donations and beverages when large-scale disasters strike, and give ongoing support acting as a Group.



### Contributions to Local Communities

We implement social contribution activities focusing on the local communities, by greening the plants and organizing plant tours and beautification activities implemented by the employees.



### Supporting Challenged Sports

We conduct activities to cheer on challenged athletes (sports for the disabled) under our PASSION FOR CHALLENGE grounded in our “Yatte Minahare” spirit that we have had since our founding.



### Supporting Employee Volunteer Activities

We actively support volunteer activities and other events for employees to participate in society to continually cultivate sincere human trust toward Growing for Good.

To Create Harmony with Society: Cultural and Social Contribution

## Basic Policy on Social Activities

Since first opening its doors, Suntory Group has been involved in community contribution, arts, culture, sports and environmental activities based on the spirit of Giving back to Society. The social activities of the Suntory Group contribute to sustainable growth of its businesses while solving issues in local communities. We have established Suntory Group's Basic Policy on Social Activities and aim to improve the value of our corporate brand across the globe through promoting activities unique to Suntory with the Group companies.

### Suntory Group Basic Policy on Social Activities

The Suntory Group strives to actively contribute to communities in order to help realize the society where people can full-heartedly enjoy life. Social contribution is the corporate motto inherited by our founder's spirit "Giving back to Society".

We are aiming to realize the rich growth of lifestyle culture as well as a sustainable global society to fulfill our social responsibility worldwide while delivering the highest-quality products and services to consumers based on our corporate philosophy "To Create Harmony with People and Nature."

1. Promote activities based on the standpoint of the next generation and actual situation worldwide together with our employees around the fields of arts and culture, sports, social welfare, and the natural environment.
2. Focus on a dialog with stakeholders and work to generate links and cooperation.
3. Support the wide-range of volunteer activities of employees.

To Create Harmony with Society: Cultural and Social Contribution

## Arts, Culture and Academic Activities

Suntory Group is involved in a variety of cultural contribution activities such as operating the Suntory Museum of Art, Suntory Hall and other activities that contribute to the development of a rich culture and lifestyle.

In addition, we also support social science and humanities academic research and the research activities of the Suntory Foundation for Life Sciences. Through these activities we aim to foster international human resources capable of leading the next generation.

### Promoting Arts, Culture and Academics

#### ■ Suntory Foundation for the Arts

Suntory Museum of Art opened in 1961 and Torii Music Foundation established in 1969 as a 70th anniversary commemoration of the founding of Suntory (name changed to Suntory Music Foundation in 1978). Two activities that have been carried out in the field of arts for about half a century was merged as a 110th anniversary commemoration activity and renew them to suit the 21st century in 2009 as Suntory Foundation for the Arts.

Since April 2012, operation of Suntory Hall was added to expand its field and aims to contribute to further disseminate and develop music and arts in Japan through various unique activities.

#### Suntory Museum of Art -- Art revised, beauty revealed

Opened in 1961 with the basic philosophy of “Art in Life” , the Suntory Museum of Art has hosted special exhibitions and expanded its collection, mainly consisting of Japanese art pieces. In March 2007, the museum was moved to Tokyo Midtown in Roppongi. Under the theme of “Art Revised, Beauty Revealed,” the museum has held a variety of special exhibitions with approximately 3,000 items from its collection, including one national treasure and 15 important cultural properties, and continues its activities to pass on the aesthetic values that lie at the heart of Japanese people to future generations. The museum, designed around the theme of “Urban Living Room” by architect Kengo Kuma, underwent a major renovation and reopened in 2020. The museum now features a store, a cafe, a tea ceremony room and a hall that features various programs, among others.



Suntory Museum of Art

**Celebrating its 60th anniversary in 2021 with ambitious commemorative exhibitions, the museum ventures into a new realm**

In 2021, the Suntory Museum of Art held four exhibitions to commemorate its 60th anniversary. The “Masterpieces from the Japanese Painting Collection of the Minneapolis Institute of Art” exhibition, which featured rare Japanese works of art from the Minneapolis Institute of Arts in the Midwest in the United States, was well received as a traveling exhibition showcasing huge collection of artworks at a time when travel was difficult. This was followed by the “Unsettling Japanese Art” exhibition which drew attention for its innovative approach to stimulate the minds of audiences; the museum’s first sword exhibition “Swords: The Heart of a Mononofu” which was also highly acclaimed by sword fans for its collaboration with popular online games; and the “Special Exhibition Prince Shotoku” that celebrates the 1400th anniversary of the passing of Prince Shotoku, tracing his life and beliefs through various works including original drawings from a popular manga series. Throughout the year, the museum took all necessary measures to prevent the spread of COVID-19 infections, making many guests feel safe and secure during their visit.



Exhibition poster celebrating the 60th anniversary of the Suntory Museum of Art

To continuously deliver value to those who may not be able to visit the museum due to the pandemic, we continue our efforts to provide opportunities to experience Japanese culture by offering a wider range of online programs.



Learning Program:<Video>  
“Masterpieces from the Japanese Painting Collection of the Minneapolis Institute of Art”  
We will tell you our favorite artists!



<Video>  
The exhibition commemorating the 60th anniversary of the Suntory of Art “Unsettling Japanese Art”

### Suntory Hall — In pursuit of the world’s most beautiful sound

Opened in 1986 as Tokyo’s first dedicated concert hall. Performances by leading musicians from Japan and overseas are performed in two halls, Main Hall with a vineyard style, praised as "a jewel box of sound" by world-renowned conductor Herbert von Karajan, and Blue Rose (Small Hall) which gives the space a warm sound and atmosphere and the audience can feel close to the performers. Every year, Suntory Hall holds more than 550 events by world’s top artists from home and abroad, and welcomes approximately 600,000 visitors. Even during pandemic of Covid-19, Suntory Hall strived to have concerts enhancing the precautions measures for infectious diseases based on the idea of enriching peoples’ lives through music. In September 2021, visitors to Suntory Hall hit 20 million since its opening.



Suntory Hall



Visitors to Suntory Hall hit 20 million since its opening.

### Aiming for the World’s Top Quality of Safety and Comfort

While valuing the mission to ‘In pursuit of the world’s most beautiful sound’, Suntory Hall welcomes everyone and want ourselves to be available to all. We are working hard to remove barriers so that our facilities and events can be accessible to as many people as possible.



A wheelchair ramp installed during the renovation in 2017.



Crime Prevention Drill



**Suntory Hall launched Digital Suntory Hall (DSH) as the new platform to push forward the Digital Transformation of the hall.**

The aim of Digital Suntory Hall is to deliver music safely and securely both during and after the pandemic, and it hopes that people from all over the world can enjoy the hall's facilities and concerts regardless of distance, time difference, borders, or language. Currently the contents include Online Events, Virtual Backstage Tour, Streamed Concerts, Online Shop, Video Library, and Performance Archive. All content and information are accessible in English.



Digital Suntory Hall (DSH)

**Presenting Unique Programs to Commemorate its 35th Anniversary**

Suntory Hall has presented unique programs since its opening as an influential venue in the music industry. To commemorate its 35th anniversary in 2021, the hall created a special logo slogan, "The Home of Applause", and Suntory Hall presented a year-long program of attractive and diverse performances by top artists. Highlights include a specially expanded edition of the annual chamber music festival "Suntory Hall Chamber Music Garden", the annual "Suntory Hall Summer Festival" of contemporary music, "35th Anniversary Gala Concert", and the Hall Opera® production of Verdi's La Traviata. The popular "Wiener Philharmoniker Week in Japan" was led by Maestro Riccardo Muti, which made us re-recognize that sharing music is an essential value for musicians and audiences that brings courage and hope as a new chapter of its history.



Chamber Music Garden 2021



Suntory Hall Summer Festival 2021



Suntory Hall 35th Anniversary Gala Concert 2021



Hall Opera®  
Verdi: La traviata



WIENER PHILHARMONIKER  
WEEK IN JAPAN 2021  
Riccardo Muti Conducts  
WIENER PHILHARMONIKER

## Suntory Hall and Suntory Museum of Art Purchase 100% Renewable Electricity

From April 2022, Suntory Group purchases 100% renewable electricity for all 30 directly owned manufacturing sites and R&D facilities in Japan. Suntory Hall and Suntory Museum of Art have also switched to purchasing 100% of their electricity from renewable energy sources. Through these efforts, the two facilities have been able to reduce CO<sub>2</sub> emissions by approximately 800 tons per year compared to the past. We believe that both "the most beautiful echoes in the world" and "urban living rooms" can be realized by placing importance on harmony with nature as well as with people and society.



### Music Division – Innovative Activities to Promote Music

We are involved in a variety of projects designed to promote Western music in Japan, including awarding the Suntory Music Award to individuals and organizations that have made outstanding achievements in the field of music as well as the Keizo Saji Prize awarded for outstanding challenging performances and the Yasushi Akutagawa Suntory Award for Music Composition given to up-and-coming Japanese composers with superior works. We also introduce "Works of Japanese Composers" and provide grants for concerts. Since 2014, Suntory has also been aiming to conserve excellent stringed instrument artifacts which are cultural heritage assets as well as cultivate new musicians through lending activities. The Suntory Foundation for the Arts lends its instruments to junior high and senior high school students and has begun a new program to lend instruments to up-and-coming musicians.



Suntory Music Award and Keizo Saji Prize ceremony

## Vienna Philharmonic & Suntory Music Aid Fund

The Suntory Foundation for the Arts engages in activities with Suntory Holdings Ltd. for the Vienna Philharmonic & Suntory Music Aid Fund for the purpose of invigorating disaster afflicted areas as well as the rest of Japan. We are expanding many of these activities from the Music Aid Award that issues grants to music activities provided together with the Vienna Philharmonic Orchestra to Concerts for Children in disaster-affected areas and mentoring of junior orchestras and musical remembrances.



Vienna Philharmonic & Suntory Music Aid Fund:  
Musical Exchange with the Sendai Junior Orchestra

## ■Suntory Foundation

Suntory Foundation was established in 1979 in celebration of Suntory's 80th anniversary. Aiming to deepen international and interdisciplinary exploration of society and culture, we will support and discover of talented human resources across a wide range of fields, and support original and adventurous research, and, contribute to the dramatic development of cultural exchange between the world and Japan.

Our initiatives as a Humanities and Social Sciences Promotion Project effort include research assistance and investigative research in the fields of the humanities and social science, awarding of the Suntory Prize for Social Sciences and Humanities, and overseas publishing support. Community Culture Promotion Project efforts include awarding the Suntory Prize for Community Cultural Activities and support for regional cultural activities.

In recent years, the Foundation has been actively working to provide support to young researches, and carries out initiatives including providing support for human resources who will play a role in the future, providing opportunities for exchange between the worlds of academism and journalism as a bridge between researchers and society.



Suntory Prize for Social Sciences  
and Humanities award ceremony



Suntory Prize for Community  
Cultural Activities award ceremony



Grant for Groundbreaking  
Young Researchers report briefing

## ■SUNTORY FOUNDATION FOR LIFE SCIENCES

Preceded by the Institute of Food Chemistry which was established in 1946 to improve the health and nutrition of the Japanese people, the name was changed to Suntory Institute for Bioorganic Research (SUNBOR) in 1979 and Suntory Foundation for Life Sciences in 2011. The Foundation promotes research and disseminating academics of life science and its fusional area of bioorganic science. It has produced many university professors and other researchers that play active roles on the frontline.

We engage in research activities for unveiling the mechanisms of life emphasizing molecules using the keywords "metabolism", "biomembrane", and "signalling" by positioning our own research into structural biology, organic chemistry, and molecular biology as points of integration for dissimilar fields. Collaborative research with research institutions such as universities is also promoted. It also operates analysis center to aid research by universities. SUNBOR GRANT for young researchers, SUNBOR SCHOLARSHIP for graduate students, aiding academic meetings, system of postdoctoral fellow, educational support for universities, and other activities to train researchers are also operated.



Exhibition displaying the history of the foundation



800 MHz superconducting nuclear magnetic resonance equipment

The discovery of enzyme gene for biosynthesis of Sesamolin and Sesaminol from Sesamin, antioxidant components of sesame, has been published for the first time in the world. Also, the gene controlling the contour shape of leaves and the blue formation mechanism created through interaction between flower pigment and flavonoid glycoside are also now known. These and many other research results are published in prominent academic papers. In addition, joint researchers and front-line researchers are invited to hold debriefing sessions annually.



Research Institute Annual Meeting  
(Saji Keizo Memorial Hall, Osaka University Nakanoshima Center)

The five year program Suntory Rising Stars Encouragement Program in Life Sciences (SunRiSE) started in April 2021 with the ten young researchers (SunRiSE fellow) selected from nearly 500 applicants that applied in FY2020. In FY2021, we held research exchange meeting to promote interaction among the fellows as well as discussion session about the progress they made during the year with the participation of program management committee member researchers.

## ■Suntory Presents Beethoven’s 9th with a Cast of 10,000 – Spreading the Joy of Singing Together

Suntory Presents Beethoven’s 9th with a Cast of 10,000 started as a commemorative event of the opening of the Osaka-jo Hall in 1983 which was held for the 39th time in 2021.

Suntory Group has been a co-sponsor from the first concert, which has become a seasonal event in December.

The wide ranging event went beyond the borders of the region and surpassed generations with the participation of 10,000 people of all ages and nationalities with the expansion of the lesson venue as an opportunity to experience the joy of singing and the excellence of classical music.

In 2011 to 2013, Tohoku venue, which was linked live with the Osaka-jo Hall, was also set as a part of an activity to support the recovery from the Great East Japan Earthquake. In 2014, 150 people from Iwate, Miyagi and Fukushima prefectures were invited to the Osaka-jo Hall.

From 2017, in addition to television broadcasts, we have been providing LINE LIVE, a live broadcast for reaching more viewers.

We also undertook a new challenge in 2020 by inviting people from throughout the country to participate by posting singing videos, in 2021, about 15,000 videos from 12 countries made the chorus.



Suntory Presents Beethoven’s 9th with a Cast of 10,000



10,000 Choirs online to participate The 38th Suntory Presents Beethoven’s 9th (2020)

To Create Harmony with Society: Cultural and Social Contribution

## Sports Activities

The Suntory Group actively supports sports promotion activities to contribute in people's rich culture and lifestyle. We have our own rugby and volleyball sports teams that compete to become champions in their respective leagues in Japan as well as engage in community-based activities in cooperation with their home towns. We are also engaged in other activities such as holding women's golf tour and baseball event and offering support for sports for the disabled.

### Suntory's Rugby Team Tokyo Suntory SUNGOLIATH

Tokyo Suntory SUNGOLIATH was created in 1980, and has taken the Top League championship five times and won the All-Japan Rugby Football Championship eight times. The team is currently participating in JAPAN RUGBY LEAGUE ONE that started in 2022.

SUNGOLIATH has signed comprehensive partnership agreement for the development of local community with Minato Ward in September 2020; Fuchu City, Chofu City, and Mitaka City in April 2021; and Tokyo in November 2021, and strengthened ties with the community. Members of the Tokyo Suntory SUNGOLIATH instructs rugby experience for elementary school students at host town as well as share their life story in a lecture called Trying for Dreams and teach students about important things in life.

The Tokyo Suntory SUNGOLIATH team also puts effort into social contribution activities and actively participates in events that include rugby clinics, charity auctions, and disaster recovery support activities.



Rugby Team  
Tokyo Suntory SUNGOLIATH



Rugby Clinic



Lecture titled "Trying for Dreams"

## Suntory's Volleyball Team Suntory SUNBIRDS

Suntory SUNBIRDS, created in 1973, participates in the V. Premium League Division 1, the top company volleyball league in Japan. SUNBIRDS is prestigious team that won the league championship for the ninth time in two consecutive years in 2022.

The team has signed comprehensive partnership agreement for the development of local community with Minoo City in October 2021 and offers volleyball clinic instructed by the players and staff for wide range of generation with a focus on elementary and junior high school students at the home town.

SUNBIRDS also actively engages in social contribution activities such as instructing older generations exercise using balls, supporting activities for recovery after the Great East Japan Earthquake, and holding volleyball clinic for elementary and junior high school students at home games.



Volleyball Team Suntory SUNBIRDS



Volleyball Clinic



Comprehensive partnership agreement with the home town

## Ai Miyazato Suntory Ladies Open Golf Tournament ~ Pathway to AIG Women's British Open ~

Suntory Ladies Open Golf Tournament is an official ladies open golf tournament of the Ladies Professional Golfers' Association of Japan hosted by Suntory. The tournament was held at the Rokko Kokusai Golf Club in Kobe City from June 9, 2022. This tournament is seen as a competition to test the true skill of the golfers because it is held for four days while in Japan most golf tournaments usually last for three days. Ai Miyazato, a professional golfer affiliated with Suntory, acts as an advisor for the tournament and is involved with setting the course, PR for the tournament, and hospitality for visitors. As an international open tournament, it opens its doors and supports the growth of next generation of Japanese and international amateur golfers who are expected to become leading players in the future, and actively engages in other charitable events.

From the 30th tournament in 2021, the first- and second-place golfer gain entry to the AIG Women's British Open.



Serena Aoki and Ai Miyazato, an advisor for the tournament (winning the 2021 tournament)

## Suntory Dream Match

Suntory has been hosting baseball games since 1995 which is played by famous players who have retired from professional baseball to provide dreams and excitement. The dream baseball match has brought joy to a total of 1,090,000 baseball fans so far. The 25th match in 2021 was held without any spectators for the first time in response to the COVID-19 pandemic. We were able to live stream the exciting matchup between The Premium Malt's team, led by Manager Koji Yamamoto, and the Dream Heroes team, led by Manager Yasushi Tao through YouTube, BS broadcast, and other media. A portion of the proceeds from this event are used to support charity activities such as holding baseball classes for children to assist in the reconstruction of the disaster-affected areas.



Day of the match (2019)

## Suntory Challenged Sports Project

The Suntory Group started the project in 2014 as part of our recovery support for the disaster-stricken Tohoku region. In addition to providing incentives to athletes and donating athletic equipment, we have also held classes in wheelchair basketball and other challenging sports for children in Tohoku. To date, more than 5,000 people have participated. Since 2015, Suntory has been an official partner of the Japan Para-Sports Association and the Japan Wheelchair Basketball Federation, and has been involved not only in reconstruction assistance but also in support for athletes, including Suntory employee Mami Tani, a para-triathlete, in their athletic activities and competitions. In addition, Suntory is involved in promotional activities through the production of wheelchair basketball rules videos, VR videos of wheelchair basketball, and a series of web-based projects that introduce the passion of the athletes.

Last year, we launched a project with university students to promote the appeal of para-sports. We will continue our challenges with our athletes under our PASSION FOR CHALLENGE grounded in our “Yatte Minahare” spirit that we have had since our founding.





To Create Harmony with Society: Cultural and Social Contribution

## Social Welfare

Throughout our history, we have been staying true to our founder Shinjiro Torii's spirit of "Giving back to Society". We have been particularly active when it comes to charitable and social welfare activities directed toward people from less fortunate circumstances. Suntory Group has been ever mindful of changing social needs in the social contribution activities it has continued carrying out to this day.

### Support through the Social Welfare Organization

#### ■ Social Welfare Organization Hojukai

Suntory founder Shinjiro Torii began the Hojukai in 1921 with the establishment of the "Imamiya Dispensary" free clinic in the Airin district of Osaka City to assist people living in financial hardship based on his strong belief in social contribution. The Hojukai was named by combining one Japanese kanji character of Shinjiro Torii's wife's name and one Japanese kanji character from our Kotobukiya company name from that time. During the turmoil after the Second World War, accommodation facility was provided for victims of war, people that returned from overseas and people that did not have a place to go, which are currently used as dorms for mother and child, special elderly nursing home and nursery schools. Hojukai continued activities as a social welfare organization and it operates Takadonoen (special care facility for seniors established in 1974), Domyoji Takadonoen (a general-purpose welfare facility established in 2008), the Tsubomi Nursery School (1975), and the West Asahi-ku Community General Support Center (commissioned by Osaka City in April 2011). To respond to the current needs, Suntory has been putting efforts in at-home nursing care services such as home-visit nursing care, outpatient nursing care, and in-home long-term nursing care services. In the spring of 2017, Tsubomi Nursery School moved to a new premise with the aim of an even more unique and comfortable facility as well as a nursery school that nurtures a wealth of sensibility.

"Hojukai", the first corporation to conduct social welfare activities in Osaka, celebrates its 100th anniversary in 2021.



Takadonoen, special care facility  
for seniors and Tsubomi Nursery School



Domyoji-Takadonoen, a general-purpose  
welfare facility



Exchange between Takadonoen  
and Tsubomi Nursery School

### Donating Suntory Products to Children Homes with the Cooperation of Food Bank Activities

The Suntory Group has donated approximately 94,000 cases of food and drinks to entities such as orphanages, welfare institutes, community centers, and disaster affected areas since 2010 through the Second Harvest non-profit organization that engages in Food Bank activities. The products that are donated are given under the condition that they have the same quality as the products sold commercially. We also conduct the same level or quality assurance, customer service, and all other operations for those products as the products sold commercially. This program started in Tokyo Metropolitan area in 2010 and was later expanded to include Okinawa in 2013. In the future, we will continue this food bank activity to deliver the appropriate amount of food as necessary.



Endowments to inner-city  
children homes

## Engaging in Charitable and Voluntary Activities

### ■Charitable activities

Suntory Group will continue to conduct community contribution activities through charities. We will also actively participate in charitable activities such as summer and year-end charity campaigns at each business establishment throughout Japan.

### Supporting Community Building through Charity

#### Suntory Ladies Open Golf Tournament

Entry fees to the amateur-professional charity tournament, money from charity corner sales, etc. from the Suntory Ladies Open Golf Tournament (started in 1990) have been used to support Kobe City's disaster recovery efforts from the Great Hanshin-Awaji Earthquake. The support continued from 1995 to 2010.

Since 2011, we have donated fire-fighting vehicles and other equipment to Natori City and Sendai City in Miyagi Prefecture as support for disaster-affected areas that were severely damaged by the Great East Japan Earthquake. Since 2016, we have been providing recovery support to areas affected by the Kumamoto Earthquake and the Great East Japan Earthquake.

Although the 2020 event has been cancelled, we have made a donation to Hyogo Prefecture to support medical professionals.



Fire trucks donated to  
Natori City,  
Miyagi Prefecture

#### Suntory Dream Match

Suntory Dream Match is an event held from 1995 where proceeds from the sales of beer and other beverages, baseball goods, charity seats, as well as part of the proceeds from the sales of baseball uniforms signed by participating athletes are used as donations to organize baseball and catch ball classes with the participation of active and retired professional baseball players in order to support the recovery of baseball in the Tohoku region since 2016.



A baseball workshop held in  
Kumamoto Prefecture in  
November 2020



Catch ball class in  
disaster affected areas using  
charity

## To Create Harmony with Society: Cultural and Social Contribution

# Developing the Next Generation

Suntory Group is engaged in a variety of activities related to music, art, sports and experiencing nature that are designed to support the healthy growth and development of the children who will be responsible for the future.

## Supporting the Development of the Next Generation through Various Activities

Suntory Group provides children with opportunities to meet top athletes and come into contact with genuine works in fields such as sports, music, art, and the natural environment. As the importance of educating the youth is on the rise due to the decline in the children, we are strengthening the support to form the characters and individuality of children.



Art Kids Club Iro-Iro Do-Re-Do-Re Suntory Hall and Suntory Museum of Art joint workshop

### ■ Suntory Hall — Nurturing Next-generation Performers and Audiences

With Suntory Hall, we offer various programs to develop the next generation, hoping children will experience a thrill listening to live music performed by leading musicians and taking classical music into their lives. The hall has been holding “Subscription Concert for Children” which is Japan’s first regular orchestra concerts for children, and a joint project of Suntory Hall and Suntory Museum of Art “Art Kids Club Iro-Iro-Do-Re-Do-Re” . The hall also offers Suntory Hall Academies, comprised of the Opera Academy and Chamber Music Academy, is geared towards young musicians who are on their way to becoming professionals. Suntory Hall also hosts other programs includes "Master Class by Principals of Vienna Philharmonic", in which members of Vienna Philharmonic Orchestra give lesson to young musicians in person.

### Subscription Concert for Children

We have been holding “Concerts for Children” since 2002 with the hope to establish a tradition of regular visits to concert halls in children and bring classical music into their lives. This is Japan’s first regular orchestra concert for children. We collect and adopt illustrations for the flyers and the theme song for the season from the children in a format that allows children to not only listen but also participate. A program which children selected through audition can perform as a member of the orchestra, or as a soloist performing piano with a professional pianist. In 2021, a new project which is for a child and young composer to compose and premiere in one of the concert.



A four-hand piano performance by a young soloist, who passed an audition, and Michie Koyama, one of Japan’s top pianist, with the orchestra



Young musicians passed an audition win an opportunity to perform with Tokyo Symphony Orchestra

### Suntory Hall Keizo Saji Junior Program Seat

A program that continues the wish of Keizo Saji, the first President of Suntory Hall, to pass down classical music to the next generation. The program invites three pairs of both elementary and junior high school students to performances held on Saturday, Sunday and holidays at Main Hall.



Keizo Saji Junior Program Seat



### Suntory Hall Academy

Suntory Hall Academy, comprised of the Opera Academy and Chamber Music Academy, is geared towards young musicians who are on their way to becoming professionals. In addition to receiving coaching from the world's leading artists, fellows (academy members) attend regular workshops to deepen their musical knowledge and perform in actual concerts.



Giuseppe Sabbatini, one of world's acclaimed Tenor, also gives lessons in person as the Executive Faculty of Opera Academy.



Some alumni and fellows of Chamber Music Academy won international competitions and broaden their career internationally.

### ■Suntory Museum of Art — Art Appreciation Opportunities for Children

Aiming to become a museum where children are always there, we provide various programs which children can easily enjoy art and nurture the mind to love art.

#### Offering Learning Programs

The Suntory Museum of Art is actively working to proliferate education to the next generation according to the “Art Revised, Beauty Revealed” museum message.

We offer free admission to children in junior high school and younger, and also distribute activity sheets. This tool not only guides users to notable areas of interest but also cultivates a spirit to enjoy free inspiration brought by appreciation. Various learning programs that can be enjoyed by both children and adults are offered at each exhibition. In addition to lectures and workshops, online video streaming is now available as well. Moreover, as a “school program,” we invite children and students in elementary and junior high schools mainly from Minato-ku to visit as well as teach art at those schools.



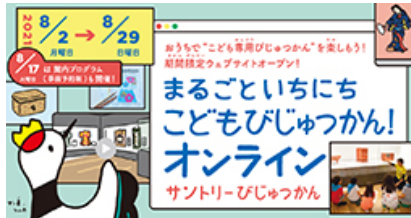
Activity sheet for children



Exhibition guide by educators

## All Day Kids' Museum!

All Day Kids' Museum! is a special event when the museum is open to elementary school and junior high school students as well as their guardians on a day that the museum is normally closed during which a variety of educational programs are held. This event has been held once a year since 2014. While viewing exhibitions as they enjoy things such as doing quizzes and drawing sketches using a worksheet, we provide a complete museum experience through specialized programs for children, including interactive art appreciation, workshops, and a museum tour. Since 2020, we have offered videos and other online programs to enable guests to enjoy from the comfort of their home.



Online banner of  
“All Day Kids' Museum!”



In-house program

## Supporting the Development of Children through Sports

Suntory Group runs a variety of activities designed to support the healthy development of children's minds and bodies through sports. As part of the activity, Suntory's sports teams, Tokyo Suntory SUNGOLIATH and Suntory SUNBIRDS promote their sports.

The athletes and staff of the two teams hold workshops to directly teach children. In addition, the SUNGOLIATH instructs at rugby schools and operates rugby sports events while the SUNBIRDS instructs local volleyball teams and students and supports the operation of volleyball tournaments, to cooperate in offering opportunities for children to experience sports.



Rugby workshop



Volleyball workshop

## Support through the Hibarigaoka Gakuen

The Hibarigaoka Gakuen has been supporting continuity education from kindergarten to high school since Shinjiro Torii became the first chairperson in 1950. Shinjiro Torii places importance on being devoted to one's parents and kept saying “a person who is devoted to his own parents can do anything well.” The founding spirit has been passed down today and the school engages in educating people based on the belief that “the basic natural thought of mankind of parents' which the growth of their children and children appreciates and respects their parents unites a family, which raises the thought of contributing to the society.” From 2008, as educational supports of next generation, we have provided primary school and junior high school students environmental curriculum, for example, Hanaiku, *Mizuiku*, and activities outside the school, and supported school visions.



Planting trees at the  
open air school

### ■Nurturing Challenging Spirit through Experiencing Camping at an Uninhabited Island

Since 2007, Suntory Group has been promoting Yoshima Project in cooperation with Kobe YMCA, a public interest incorporated foundation which operates a camping site in an uninhabited island in Shodo-gun, Kagawa Prefecture since 1950. The project is intended to nurture spirit of challenge and dreams of children experiencing rich natural environment unique to an uninhabited island and plans and holds Adventure Camp participated by Gota Miura and various programs around the year. Every year, approximately 3,500 children participated in the program. In 2020 there were 250 participants due to restrictions related to Covid-19.



Yoshima Summer Camp



Yoshima

### ■Developing Work Value in Children Through Real Experience

The Suntory Group has opened a Beverage Service Center pavilion for children to experience operations related to vending machines at KidZania in Tokyo and Koshien where kids learn about work and society through play. The Beverage Service Center can teach vending machines systems as well as the knowledge and innovations used to deliver products to customers while evoking passion in people to support beauty, safety and reliability. We hope to cultivate work value and bring new awareness to children everyday through hands-on experience where they can interact with actual vending machines often seen as no more than part of the cityscape.



Learning the Inner workings of Vending Machines



Delivering Products to Vending Machines

To Create Harmony with Society: Cultural and Social Contribution

## Disaster Recovery Support



### Support for Disaster Areas

The Suntory Group provides help to the people and places afflicted by disasters by providing relief contributions and drinking water when large disasters strike Japan or other countries.

#### ■Main Donations

Year	Incident	Amount Donated	Beneficiary	News release
2010	2010 Canterbury (Darfield) Earthquake (New Zealand's South Island)	3.25 million yen	Christchurch Earthquake Appeal Trust	
2010	Haund-foot-and-mouth Disease Outbreak in Miyazaki Prefecture	10 million yen	Miyazaki Prefecture, and the Miyazaki Community Chest Association Social Welfare Organization	Suntory Relief Aid for Haund-foot-and-mouth Disease in Miyazaki Prefecture (in Japanese only)
2010	Chilean Earthquake	50 million yen	Chile Embassy	Suntory Relief Aid for Earthquake Recovery in Chile
2010	Haiti Earthquake	10 million yen	The Japanese Red Cross Society	Suntory Haiti Earthquake Aid
2011	Thailand Floods	Approx. 2.5 million yen	The Government of the Kingdom of Thailand	Support for Recovery from Flood Damage in Thailand

Year	Incident	Amount Donated	Beneficiary	News release
2011	Christchurch Earthquake (New Zealand's South Island)	6.2 million yen	New Zealand Red Cross	Earthquake Relief Donation, to New Zealand
2011	Queensland Floods, Australia	8 million yen	Queensland Fund, Disaster Relief Appeal	Flood Relief Donation to Queensland, Australia
2011-	Great East Japan Earthquake	4.3 billion yen in 2011 2.0 billion yen in 2012 2.5 billion yen in 2013 2.0 billion yen in 2014 (total: 10.8 billion yen)	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Save The Children Japan, et al.	Relief Donation for Earthquake in the Tohoku Region of Japan
2014	Landslide disasters in Hiroshima	1 million yen	Chugoku Shimbun Social Welfare Services Corporation	
2015	Nepal Earthquake	3 million yen	Nepal Earthquake	
2016	Kumamoto Earthquake	100 million yen in May 2016 300 million yen in October 2016	Kumamoto Prefecture	Release of Contributions to Kumamoto Prefecture
2017	Storm Disaster in Northern Kyushu	Fukuoka Prefecture (5 million yen) Oita Prefecture (5 million yen)	Fukuoka Prefecture/Oita Prefecture	Relief Donation for the Storm Disaster in Northern Kyushu
2017	Massive Hurricane Disaster in United States	Approx. 110 million yen (1 million dollars)	American Red Cross	About Aid Following the Massive Hurricane Disasters in the United States
2017	Earthquake in Mexico	Approx. 22 million yen (200,000 dollars)	Mexican Red Cross	About Aid Following the Earthquake in Mexico
2017	Hurricane Maria, the Virgin Islands	Approx. 55 million yen (500,000 dollars)	Virgin Islands Aid Fund	
2018	Torrential Rains of July 2018 (in Western Japan)	900 million yen (Hiroshima, Okayama, and Ehime Prefectures received 300 million yen each)	Hiroshima Prefecture: Japanese Red Cross Society Hiroshima Okayama and Ehime Prefectures: Aid provided directly to each prefectural government	Information About the Donations for the Torrential Rains of July 2018
2018	Hokkaido Eastern Iburi Earthquake	100 million yen	Hokkaido	Information About Support Provided for the 2018 Hokkaido Eastern Iburi Earthquake



Year	Incident	Amount Donated	Beneficiary	News release
2018	Midousuji Gingko Namiki Damage by Typhoon No.21	50 million yen	Osaka City	
2019	Typhoon No.15	50 million yen	Chiba Prefecture	Suntory Pledges ¥50 million to support Typhoon No. 15 Relief and Recovery
2019	Typhoon No.19	550 million yen	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Kanagawa Prefecture, Niigata Prefecture, Nagano Prefecture and Shizuoka Prefecture	Suntory Pledges ¥550 million to support Typhoon No. 19 Relief and Recovery
2020	Bushfire Relife and recovery in Australia	\$500,000 AUD	Australian Red Cross, the New South Wales Rural Fire Service and the New South Wales Wildlife Information Rescue and Education Service (WIRES)	SUNTORY GROUP PLEDGES \$500,000 TO SUPPORT BUSHFIRE RELIEF AND RECOVERY IN AUSTRALIA
2020	Australian Bushfires	50 million yen	Kumamoto Prefecture	Suntory Pledges ¥50 million to support the Relief and Recovery of the Kumamoto area affected by the heavy rain
2021	COVID-19 Relief in India	\$600,000 (approx. INR 44,184,000)	British Asian Trust Confederation of Indian Industry National Restaurant Association of India Government-led relief efforts	Suntory Holdings and Beam Suntory Donate \$600,000 to Organizations Supporting COVID-19 Relief in India
2021	Tornados in Kentucky	\$1 million	Team Western Kentucky Tornado Relief Fund American Red Cross's Disaster Relief Fund	SUNTORY HOLDINGS AND BEAM SUNTORY CONTRIBUTE \$1 MILLION TO SUPPORT RECOVERY FROM DEVASTATING TORNADOS IN KENTUCKY
2022	Tonga's Volcanic Eruption and Tsunami	US \$87,700 (10 million Japanese yen)	Kingdom of Tonga	Suntory Group to Donate Over US \$100,000 to Support Tonga's Volcanic Eruption and Tsunami Response
2022	Humanitarian Assistance in Ukraine	\$600,000	Humanitarian organizations such as the United Nations World Food Programme (WFP)	Suntory Group to Support Humanitarian Relief Efforts in Ukraine

## Providing Free Beverages When Disasters Strike

Suntory Foods Ltd. has developed and is furthering the installation of emergency beverage vending machines. This system normally sells beverages from vending machines in peace times but will provide them for free during emergencies such as when disasters strike. Beverages can be easily accessed even if the power goes out. Many people used this system after the Great East Japan Earthquake that struck in March of 2011. We are furthering the installation on premises with focus on public facilities and hospitals. We plan to keep actively installing these types of vending machines in the future.



Emergency beverage vending machine

Disaster Recovery Support

## The Suntory Tohoku Sun-Sun Project

### Activities to Support the Recovery from the Great East Japan Earthquake

The Suntory Group is expanding its support for recovery from the Great East Japan Earthquake. Immediately after the earthquake, the Suntory Group provided 1 million bottles of mineral water as emergency relief supplies and donated ¥300 million to the three affected prefectures. We also worked to provide support for the reconstruction with contributions equivalent to a total of 10.8 billion yen: 4 billion yen in 2011, 2 billion yen in 2012, 2.5 billion yen in 2013, and 2 billion yen in 2014.

The Suntory Group launched the "Suntory Tohoku Sun-Sun Project" and actively continues its support activities with focus on "Support Recovery of the Fishing Industry," "Youth Support Initiatives," "Challenged Sports," and "Support through Culture, the Arts, and Sports" with the hope to bring warm light like the sunshine, and smiles and joy to disaster affected areas.

We support the purchase of fishing vessels, fishing equipment and fixed fishing nets to assist the early recovery of the fishing industry. We award grants to students at fisheries high schools, provide a safe and secure environment for children to learn and play such as child care facilities, and support NPOs that help children such as Save the Children Japan. We engage in other various cultural and sports activities to bring smiles and joy.

Since 2014, we have been providing support for Challenged Sports in Iwate, Miyagi, and Fukushima prefectures, based on our desire to deliver hopes and dreams. We will donate the equivalent of 1 billion yen over the period of six years focusing on Challenged Athlete Subsidy aimed at supporting individual athletes and organizations, Challenged Sports Academy aimed at providing opportunities mainly for children to experience challenged sports and engage with athletes, and Challenged Sports Training Support aimed at popularizing, strengthening and supporting them.

In February 2021, thinking that there must be something we can do to help the efforts of these people in Tohoku, we started the "Mirai Challenge Program." To help build the future of Tohoku, this program will provide support through grants to people working toward regional revitalization in the prefectures of Iwate, Miyagi, and Fukushima.

**SUNTORY**  
**東北サンせん**  
**プロジェクト**  
since 2011

## ■Result of Support

### Recovery Support for the Fishing Industry

#### Donating to the reconstruction of the prefectures' fishing industries

To support early reconstruction through the auspices of prefectural governments, Suntory donated ¥3.0 billion to Miyagi Prefecture and ¥2.5 billion to Iwate Prefecture



#### Support to cover costs of acquiring fishing vessels

To ease the burden on fishermen, the Suntory Group is acting through the auspices of Miyagi Prefecture and Iwate Prefecture to shoulder a portion of the costs to acquire new fishing vessels. The Group is supporting the restoration of about 10,000 vessels of all sizes and types, from deep-sea tuna vessels to squid fishing vessels



Amount of support to cover costs of acquiring fishing vessels

Approx. **10,000** ships

#### Support to restore fishing-related facilities

Donations for the reconstruction of the fishing industry in Miyagi Prefecture and Iwate Prefecture are also used in the restoration of fixed fishing nets and aquaculture facilities

Amount of support for fishing vessels

Approx. **1,100** locations



Amount of support for fixed shore nets

Approx. **400** locations

## Youth Support Initiatives

### Scholarships for fisheries high schools

For five years beginning in 2012, the Suntory Group is providing free scholarships to disaster affected students at seven fisheries high schools

Number of scholarship recipients (total)

Approx. **3,000**



### Support for building a place for children in Fukushima to learn and play

We build child care facilities, hold workshops conducted by various Suntory Group companies, provide training for instructors, excursions, etc. so that children in Fukushima Prefecture can learn and play in safety

Number of child care facilities built

**5** facilities



Number of outdoor activity participants such as summer camps

Approx. **8,800**



### Providing assistance to NPOs that support the children of Fukushima

We provide three year aid for organizations that provide intensive support to children in Fukushima Prefecture who have been living in evacuation centers for long period of time

Number of organizations that were awarded grants

**57** organizations



### Construction of Ishinomaki City Children's Center "Raitsu" and Yamada Fureai Center "Hapine"

We provided aid for the total cost of construction for the Ishinomaki City Children's Center "Raitsu" (Miyagi Prefecture) and Yamada Fureai Center "Hapine" (Iwate Prefecture) facilities that were planned and designed by the children

Number of Ishinomaki City Children's Center "Raitsu" users annually

Approx. **30,000**



Number of Yamada Fureai Center "Hapine" users annually

Approx. **60,000**

### Cooperative program through music with the TOMODACHI Initiative

We are supporting students in disaster affected areas to attend music school in the United States with the cooperation of the TOMODACHI Initiative led by the US Embassy and U.S.-Japan Council. In the TOMODACHI Suntory Fukushima Mirai Music Program, we provide opportunities for the music club of Fukushima Futaba Mirai Gakuen High School to learn at workshops conducted by the New York Philharmonic orchestra in the United States



#### Donation

Approx. \$ **1,000,000**

### Supporting Challenged Sports

#### Challenged sports experience classroom

We have been holding classes where children from Iwate, Miyagi, and Fukushima prefectures can experience playing various Challenged Sports together with challenged athletes from the Tohoku region

#### Number of participants

Approx. **1,000**



#### Visits by athletes

Athletes visit schools to provide children at elementary schools and junior high schools in areas affected by the disaster to allow them to experience wheelchair basketball and conduct boccia experience activities at special needs schools

#### Number of participants

Approx. **4,646**



#### Challenged athlete subsidy

We provide grants to individuals and organizations as a way to support the training of athletes on par with global standards and to develop and popularize challenged sports

#### Individual

Total **294** people

#### Organization

Total **129** teams



(As of January 2020)

## Challenged sports training support

We support strengthening the base and improving the environment of Challenged Sports through renovating public facilities and donating sports wheelchairs in order to develop and popularize them

Hosting introductory workshops for wheelchair sports to cultivate challenged sports coaches in each prefecture



Sports wheelchairs

35

STT table-tennis tables

5

Facility renovations

3 locations

Introductory Workshop to Wheelchair Sports

Held 13 times

## Support through Culture, the Arts and Sports

### Vienna Philharmonic & Suntory Music Aid Fund

Together with the Vienna Philharmonic Orchestra, Suntory is providing aid for music-related initiatives and is bringing concerts to the disaster affected areas

The number of attendees at Concerts for Kids

Approx. 14,000



Performance held by Vienna Philharmonic & Suntory Music Aid Award activities

128 organizations



### Suntory and Japan Kogei Association Omoshiro Bijutsu Classroom in Tohoku

The Suntory Group conducted visit to schools by designated Preservers of Important Intangible Cultural Properties (also known as Living National Treasures) and other traditional handicraft artists

Number of participants in the Omoshiro Bijutsu Classroom

Approx. 1,200



### Suntory Museum of Art Traveling Exhibition

We hold exhibitions of Japanese art with items in the collection of Suntory Museum of Art in Sendai City and Koriyama City

Number of visitors

Approx. **14,000**



### Michinoku Wind Orchestra

We operate a project which provides an opportunity for junior high and high school brass band members in disaster-affected areas to ultimately perform at Suntory Hall afterpractice.

Number of participants

Approx. **350**



### Music for Everyone Concert held by Suntory and the Sendai Philharmonic Orchestra

Touring concerts were held for disaster affected area in Tohoku from 2016 through collaboration with the Sendai Philharmonic Orchestra centrally located in Sendai.

Number of participants

Approx. **4,000**



### Inviting the people from the disaster affected areas to cultural and sports events

We invited the people from the disaster affected areas to cultural events, such as Suntory Presents Beethoven's 9th with a Cast of 10,000, and sports events, such as Suntory Dream Match and international rugby match

Number of visitors to cultural events

Approx. **9,400**



Number of visitors to sporting events

Approx. **21,500**



## Holding sports workshops

Each year we hold volleyball, rugby and baseball workshops led by Suntory's sports teams in disaster affected areas

Sports workshop participants and competition attendees

Approx. **6,200**



## Mirai Challenge Program

Thinking that there must be something we can do to help the efforts of these people in Tohoku, we started the "Mirai Challenge Program"

This new program will award a total of approximately

**100 million** JPY over

three years from July 2021 to June 2024 (approx. 30 million JPY per year) to groups or individuals seeking to start new projects to revitalize the local community in Iwate, Miyagi and Fukushima prefectures.





Disaster Recovery Support

## Suntory "Land of Water" Kumamoto Support Project

### Supporting Kumamoto Earthquake Recovery Efforts

Suntory Holdings Ltd. started Group-wide recovery support activities as the Suntory Land of Water Kumamoto Support Project to support the revitalization of Kumamoto after the earthquake that struck in 2016.

We have delivered approximately 210,000 bottles of Suntory Tennensui mineral water in April 2016 and contributed 100 million yen in relief aid to municipalities affected by the Kumamoto earthquake in May 2016.

Thereafter, Suntory decided to provide additional support of ¥300 million in October 2016. We launched the Suntory Land of Water Kumamoto Support Project, and we will continue to focus on activities that ensure the sustainability of groundwater in the Kumamoto region as well as those that support the livelihoods of the community members in affected areas through culture, arts, and sports based on the desire to contribute to the recovery of the prefecture as a company with the Suntory Kyushu Kumamoto Plant located in Kumamoto.



#### ■More information about these initiatives

#### Activities to Contribute to Sustainability of Groundwater in the Kumamoto Area

#### Suntory Kumamoto Groundwater Mirai Project

## 「サントリー熊本地下水みらいプロジェクト」



#### Recovery of Winter Rice Fields



Renovations



Planting Event



Long Awaited Harvest

## Activities to Support the Mind and Body Through Culture, Arts and Sports

### Holding sports classes

We hold volley ball and rugby classes by Suntory's sports teams and baseball classes in disaster affected areas.

### Number of participants

Approx. **2,200**



Suntory SUNGOLIATH  
Rugby Classes



Watching tour of RUGBY WORLD CUP  
JAPAN 2019 with Suntory SUNGOLIATH



Suntory SUNBIRDS  
Volleyball Classes

### Suntory Dream Match Live



### Vienna Philharmonic Recovery & Remembrance Concert

In cooperation with the Vienna Philharmonic Orchestra, we established a fund, and, in addition to presenting performances by orchestra members, we provided grants and technical support to local organizations.

### Number of participants

Approx. **1,300**



### Recovery & Remembrance Concert Led by Super Kids Orchestra Yutaka Sado

Supporting recovery concert activities since 2015 by Super Kids Orchestra led by international conductor and Super Kids Orchestra Artistic Director Yutaka Sado.



Number of participants

Approx. **3,000**

### "Minna no Machi" concerts held through the cooperation of Kumamoto Prefectural Theater, the Kyushu Symphony Orchestra, and Suntory

We have been holding concerts at elementary schools, public halls, and other locations around the Kyushu Kumamoto Plant in cooperation with Kumamoto Prefectural Theater and the Kyushu Symphony Orchestra since 2018.



Number of participants

Approx. **3,000**

### Community Support

#### Support Activities Using Suntory Capital Expanded with Focus on Kashima, Mashiki and Mifune around the Kyushu Kumamoto Plant in Kyushu

In cooperation with Suntory Flowers, we deliver flower seeds and flower pots to local people and hold workshops



#### Everyone Afflicted by the Disaster from Kashima, Mashiki and Mifune around the Kyushu Kumamoto Plant in Kyushu Invited to a Plant Tour

Invited people living in temporary housings in Kashima, Mashiki and Mifune around the Kyushu Kumamoto Plant



Number of participants

Approx. **850**



Five years after the Kumamoto Earthquake, and beyond.

In 2021, Suntory, as a local company, will continue to think about the future of Kumamoto together with the next generation and continue our efforts to be close to the community.

To Create Harmony with Society: Cultural and Social Contribution

## Contributions to Local Communities

### Coexisting with Communities around Our Plants

The Suntory Group's major plants are making efforts to engage in dialogue with local residents. We also work to provide venues for interacting with the local community through measures such as opening parks and trails created at our plants. We have third parties conduct environmental impact assessments when we construct new plants and work to get the understanding of the people who neighbor the site. We also make efforts to harmonize the plants with nature by preserving the sites' biodiversity and pursuing greening initiatives on their grounds.

#### ■ Promoting Greening of Plants

Suntory Group's plants consider biodiversity and promote greening that is in harmony with local environment, receiving awards in various locations as model green plants.

#### Model greening plant commendation (hosted by Japan Greenery Research and Development Center)

Year of commendation	Plant of commendation	Name of commendation
1987	Suntory Tonegawa Brewery	Tokyo Commerce and Industry Bureau Director's Award
1989	Hakushu Distillery	Prime Minister's Award
1993	Azusa-No-Mori Plant	Minister's Commerce and Industry Prize
2002	Yamazaki Distillery	Minister Prize of Economic, Trade and Industry
2006	Kyushu Kumamoto Plant	Japan Greenery Research and Development Center Award
2008	Takasago Plant	Japan Greenery Research and Development Center Award
2014	Suntory Tonegawa Brewery	Minister Prize of Economic, Trade and Industry
2014	Kyushu Kumamoto Plant	Minister Prize of Economic, Trade and Industry
2014	Haruna Plant	Japan Greenery Research and Development Center Award
2019	Kyushu Kumamoto Plant	Prime Minister's Award

## Other greenification commendations

Year of commendation	Plant of commendation	Name of commendation	Hosted by
1986	Kyushu Kumamoto Plant	Kyushu Bureau of Economy, Trade and Industry Greenery Award	Kyushu Bureau of Economy, Trade and Industry
1997	Suntory Tonegawa Brewery	National Arbor Day Awards Grand Prize in the Contest for Environmental Greening	Gunma Prefecture
2005	Kyushu Kumamoto Plant	Prize for Kumamoto Scenery/Prize for Local Scenery	Kumamoto Prefecture
2011	Okudaisen Bunanomori Natural Mineral Water Plant	Award from The Japanese Society of Revegetation Technology (Technology Award)	The Japanese Society of Revegetation Technology

## ■ Dialogue with Customers through Plant Tours

We offer plant tours of our breweries, whisky distilleries, wineries, and natural mineral water plants so that more people can become familiar with our dedication to good taste and safety, our concern for the environment, and the approaches we take through our products. While viewing our production processes, visitors will be provided with easy to understand explanations about the detail that goes into our work and enjoy tasting and other activities. In addition, special seminars to learn the commitment toward brewing beer and ways to enjoy whisky are held, attracting approximately 660,000 visitors each year.



Natural mineral water plant tour



Special seminar held at a beer plant

## To Create Harmony with Society: Cultural and Social Contribution

# Supporting Challenged Sports

The Suntory Group started supporting challenged sports in 2014 as part of our recovery support for the disaster-stricken Tohoku region.

In 2015, we have worked broadly in efforts such as expanding and strengthening our initiatives while bringing together athletes to reach beyond the framework of recovery support.

### ■ PASSION FOR CHALLENGE — Reaching for Dreams United —

Challenged athletes have the resolve to persevere beyond any limitations regardless of disability.

Suntory has been forging avenues to a variety of new fields since its founding based on the Yatte Minahare challenging spirit.

This is exactly the reason Suntory empathizes with the passion and perseverance of these athletes. We are broadening these activities based on our desire to support the athletes to overcome any challenges and support their infinite potential.

#### 1. Official Partner

- (1) Japanese Para-Sports Association (From 2015)
- (2) Japan Wheelchair Basketball Federation (From 2015)
- (3) Wheelchair Basketball Teams: Miyagi MAX and TEAM EARTH (Fukushima)  
Russell Iwate and SCRATCH (From 2015)
- (4) Japan Table Tennis Federation For Intellectual Disability (From 2020)



#### 2. Hands-on Classrooms

We have held more than 47 hands-on basketball clinics by inviting instructors from Miyagi MAX and other teams to teach at elementary and junior high schools as well as other public facilities, to cultivate awareness and popularize challenged sports.

We also offer experience in a broad range of competitions from blind soccer and blind marathons to chair skiing and boccia.

Number of Participants: Cumulative Total of Approx. 5,500  
(As of January 2020)



### 3. Suntory Challenged Athlete Subsidy

We provide grants to Iwate, Miyagi, and Fukushima prefectures with the aim of training and empowering athletes at a global level.

Grant Recipients: 294 Individuals/129 Organizations (Total of approx. 206,000,000 yen)

(As of January 2020)



### 4. Introductory Workshop to Wheelchair Sports (Offering to Persons with No Experience and Supports of Wheelchair Sports)

The goal of these workshops is to expand the range of wheelchair sports. 13 clinics have been held in Iwate, Miyagi and Fukushima prefectures up until now by inviting Daisuke Hashimoto, who acquired a rehabilitation sports instruction license from the German Paralympic Committee, as the instructor.

### 5. Sports Equipment Donations/Sports Facility Renovations

Suntory has donated sports equipment such as competitive wheelchairs to Iwate, Miyagi and Fukushima prefectures and conducted renovations of facilities, including the gymnasium where Miyagi MAX trains in order to facilitate an appropriate challenged sports environment.

Facility renovations: 3 locations; Sports wheelchairs: 35; STT table-tennis tables: 5



### 6. Event Sponsorship

We sponsor and support the operation of the events below to popularize wheelchair basketball as well as put in place a competitive environment.

We are conducting various initiatives to bring even greater affinity to these sports. (FY2019 Results)

#### (1) Wheelchair Basketball Championship Emperor's Cup

Sponsorship of the competition and expansion of various measures as a special sponsor

- Wheelchair Basketball Hands-on Booth Exhibition and Give-away Sample Program

A Wheelchair Basketball Experience Corner with VR video gives everyone a first-hand simulated experience from the eyes of the athlete during a match

- Suntory Wheelchair Basketball Corner

Hands-on shooting corner installed for everyone to try shooting hoops from an actual wheelchair

- Secondary Awards

Winners of the MVP, Score Leader and Special Suntory Yatte Minahare-Go for it Prizes receive 1-year of suntory products

#### (2) International Women's Wheelchair Basketball Friendship Games OSAKA CUP

#### (3) World Challenge Cup International Wheelchair Basketball Competition

#### (4) Kitakyushu Champions Cup International Wheelchair Basketball Competition



## 7. Employee Participation and Enlightenment

(1) Suntory conducted hands-on wheelchair basketball clinics as well as demonstrations through National Team athletes at the softball competition for employees of the Suntory Group who work in the Kanto region (approx. 3,600). The rugby and volleyball teams from Suntory participated to bring about an exchange through sports which eliminates any boundary felt due to a disability. (Conducted since 2015)



(2) Competition Spectators (Number of Participants Watching and Cheering on Athletes in 2018: Approx. 510)

The Japan Para Championships (2015), Kitakyushu Champions Cup International Wheelchair Basketball Competition (2015), 2015 IWBF Asia-Oceania Championship Cup (2015), International Women's Wheelchair Basketball Friendship Games OSAKA CUP (2016, 2017, 2020), Japan Wheelchair Basketball Championship (2016, 2017, 2018, 2019) and the World Challenge Cup International Wheelchair Basketball Competition (2017, 2018, 2019) were widely announced to employees.



(3) Competition Volunteers

A total of 15 people participated in the All-Japan Wheelchair Basketball Championship (2016), the Japan Wheelchair Rugby Championships (2016) and hands-on classrooms.



## 8. Video Produced to Explain Wheelchair Basketball Rules

Suntory produced a video to describe the rules of wheelchair basketball in an easy-to-understand manner through animation to show at competitions such as the All-Japan Championships to bring greater awareness to wheelchair basketball.



## 9. A VR Video Gives Everyone a First-hand Perspective from the Eyes of Wheelchair Basketball Athlete During Competition

Suntory produced a VR video with the participation of Japan National Team members (2016) to simulate the perspective of the athletes during a match to demonstrate the intensity and grace of wheelchair basketball.



## 10. Publishing OUR PASSION Project Series on the Suntory Homepage

We publish OUR PASSION about perseverance through interviews with athletes and staff who are involved with Suntory Challenged Sports Projects to bring enlightenment and popularize both the players and the sports.



## 11. Activity Support for Challenged Athlete Mami Tani (Formerly Mami Sato)

Mami Tani participated in 3 Paralympic Games in a row with a long jump. She turned to paratriathlon from 2016, participated in the 2020 Tokyo Games where she gave a bid speech, and served as the flagship of the Japanese team at the opening ceremony. She is also engaged in a variety of CSR activities, including disaster recovery assistance.



## 12. Start up “Parasports Design College”

Co-sponsored by Athletic Communication Co., Ltd. which operates the internet sports media “SPORTS BULL”, this is a year-long project in which university students, who will lead the next generation, will think, take action, and communicate about a symbiotic society using para-sports as a starting point. Focusing on wheelchair basketball, university students themselves will broadcast live games and interview athletes, and will continue to disseminate various contents. We hope that university students will think and communicate on their own, which will lead to the learning of university students for the appeal of para-sports.



To Create Harmony with Society: Cultural and Social Contribution

## Employee Volunteer

### Employee Volunteer Activities

#### ■ Basic policy

The Suntory Group conducts a wide range of social contribution activities based on its spirit of Giving back to Society, but a relationship between society and every Group employee is also important.

We actively suggest that employees use time created through work style reform promoted throughout the entire Group to participate in employee volunteer activities to discover new value and serve as opportunities for individual growth.

#### ■ Providing Opportunities to Volunteer

We launched the internal company website Suntory Volunteers. In addition to volunteer information, we post information that allows users to learn about actual volunteering experience through formats such as "Volunteer Activity Diary," "Experience Reports," and "Volunteer Roundtable" based on the catchphrase "It is enriching to be able to use my abilities outside of work."

Additionally, Suntory Volunteers has partnered with Volunteer Web (provided by the Japan Philanthropic Association) to use its activity introduction and application system.

We have worked with NPOs to create a package of programs for The Let's Cut Fabric and Picture Book Delivery international contribution volunteer activities, and posted them on "Suntory Volunteers" so that employees themselves can hold the events at locations of their own choice. Furthermore, we established the Volunteer Leave Program as part of this support system.



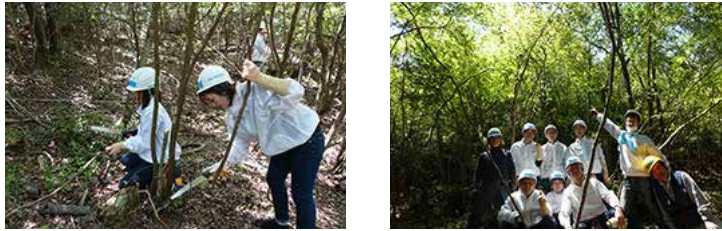
Internal Volunteer information Site  
Suntory Volunteers



Volunteer Web

### Suntory Natural Water Sanctuary Forest Maintenance Volunteer Activity

We held this volunteer activity for the purpose of making our employees understand and experience just how serious Suntory is about how to live in harmony with nature. By cutting the evergreen shrubs, we allowed the sunlight to reach the soil and promoted the growth of various types of vegetation including deciduous broad-leaved trees.



Volunteer Activity at Natural Water Sanctuary Hyogo Nishiwaki Monryuzan

### Food donation drive

As part of our volunteer program, we wrote letters and donated food to single-parent households at the end of last year.



### Volunteer Activity to Provide Disaster Support

In addition to the donation contributions and product supply implemented by the company with an aim to support recovery from the torrential rains in western Japan in 2018 and typhoon No. 19 in 2019, individual employee volunteers also took part in on the ground recovery effort.

In two years, more than 200 employees took part in assisting impacted homes with mud removal from beneath floors, clearing of furniture, the cleaning of apple fields, and other tasks in places such as Okayama Prefecture, Tochigi Prefecture, and Nagano Prefecture.

(Since 2020, we have suspended our volunteer activities due to the COVID-19 pandemic.)



Disaster volunteers in 2018 and 2019

### Kumamoto Flower Project Volunteer Activity

This activity was conducted in collaboration with Suntory Flowers as part of the Suntory "Land of Water" Kumamoto Support Project. We delivered flower seedlings to temporary housing facilities in Mashiki, Kashima, and Mifune, three towns near the Kyushu Kumamoto Plant which particularly received extensive damage during the Kumamoto Earthquake, and planted *Safinia* with local residents.



Planting flowers at a temporary housing facility in Kumamoto

### Hojukai Assisting with Window Cleaning at Senior Care Facilities and Nursery School Sports Events

Each year Suntory Group employees perform gardening, window cleaning, provide management support for sports events, and other work together with facility staff at elderly care facilities and child daycare centers operated by the social welfare organization Hojukai. Also, new employees of the Suntory Group also participate in volunteer activities such as road cleaning and weed removal after receiving training at each facility regarding the history of the Hojukai and the founders' ideas about social contribution.



Volunteers busy cleaning windows



Volunteers at work planting flowers and pulling weeds



Volunteers at a sports event held at Tsubomi Nursery School

### Volunteering to run events for groups that won the Suntory Prize for Community Cultural Activities

We work to improve communications with local communities and deepen our understanding of local culture by volunteering to run events for groups that won the Suntory Prize for Community Cultural Activities. (Since 2020, we have suspended our volunteer activities due to the COVID-19 pandemic.)



Gatlympics competition volunteers



Innoshima Suigun Matsuri operations volunteers

### Beautification Activities at Offices

The Suntory Group's offices in Japan engage in environmental beautification efforts by cleaning up the vicinity and participating in garbage cleanups organized by local governments. In November 2018, Suntory participated in the Tokyo Bay Cleanup Campaign, which it has been supporting and co-sponsoring from 2003, with employees and 23 family members joining local residents and businesses, and ultimately gathering roughly 170kg of litter. (Since 2020, we have suspended our volunteer activities due to the COVID-19 pandemic.)



Musashino brewery employees and family members help clean up the banks of the Tama River



Ujigawa Plant employees help clean up around the factory

### ■ Volunteer Activities by Group Companies in Japan

#### P LOVE GREEN — Pronto Corp.

We announced the P LOVE GREEN campaign after reviewing the basic principles to become a junction to bring about creation for the future by providing peace and joy to the minds and bodies of customers as well as the origins of Green, which is the brand color of Pronto, in April 2010. This activity is a project unique to Pronto for the purpose of being kind to people and the environment while offering excitement that has been named P LOVE GREEN. This project broadens the provision of menus, goods, in-store environment, and entertainment and even community contribution activities.

We also contributed to greenification business after the Great East Japan Earthquake, starting with donations to the Tokyo Green Project in 2010 as one of our activities. In 2012 and 2015, we received a gratitude letter from the Minister of Agriculture, Forestry, and Fisheries. In addition, because disasters have occurred in various places each year, we have been working with local children since the Great East Japan Earthquake occurred in March 11, 2011 mainly on tree-planting activities to restore the greenery of each disaster-stricken area.



Tree planting

#### Supporting the Kiritappu Wetland National Trust — Häagen-Dazs Japan, Inc.

Häagen-Dazs Japan has been providing support for the Kiritappu Wetland National Trust in Hamanaka, Akkeshi since 2007 for the Kosen ward of Hokkaido, which is a production area of milk used as an ingredient for ice cream. Kiritappu Wetland has also been registered in Ramsar Convention in 1993 as the third largest wetland in Japan. Our employees are conducting volunteer activities to preserve the scenery of the wetlands by repairing the boardwalk together with the local people every year in addition to providing financial support. These volunteer activities are planned to be continued every year with 2018 being the 12th year of these activities.



Landscape repair of boardwalk (2014)

### Donations of Ice Cream to Food Bank — Häagen-Dazs Japan, Inc.

In 2018 and in 2019, Suntory and Haagen-Dazs employees volunteered together for a food bank and visited orphanages and maternal and child care facilities to deliver Haagen-Dazs ice cream.



\*Food bank activity: An activity during which food products are provided to social welfare facilities, etc. These donated food products were previously discarded in spite of no safety issues in the manufacturing and distribution processes.

### Supporting the Revitalization of Communities with Flowers — Suntory Flowers Ltd.

Suntory Flowers is providing flowers for areas such as parks to allow even more people to experience a life in a community with flowers. The Red Flower Project has expanded throughout Japan since 2012 to play a role in revitalizing communities by planting flowers in parks and public facilities in each area of Japan under the slogan, "Revitalizing Japan with Red Flowers!" We donated Surfinia Red flowers to organization in each community in Japan. From 2015, we have expanded the scope of our activities even further to engage in "Big Flower Project." In addition, we will continue our activities from 2019 to make as many people smile as possible through the power of flowers, focusing on reconstruction assistance in Tohoku and Kumamoto as part of the Tomorrow's Flowers Project.



Red Flower Planting Project

### ■ Volunteer Activities by Overseas Group Companies

At Beam Suntory, some 2,000 employees from 55 regions across 14 countries participated in clean-up activities and disaster support during its April 2019 "Together for Good" initiative.

At Suntory Beverage & Food Asia in Vietnam, volunteer activities were organized in conjunction with the expansion of the Suntory *Mizuiku*-Education Program for Nature and Water. Suntory Beverage & Food Europe volunteers participated in food banks, beach cleaning, and other activities.

Also, coordinators around the world responsible for promoting volunteer activities came together for the Global Volunteer Meeting to study future volunteer activities.



Clean-up at Beam Suntory



River cleaning at Suntory Beverage & Food Europe



Global Volunteer Meeting





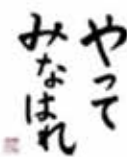





Sustainability Initiatives

# To Create Harmony with Employee

## Diversity Management

The Suntory Group promotes "Diversity, Equity & Inclusion," which is to respect various values without preconceptions or prejudice, and to create greater value by incorporating and utilizing such diverse values and ideas. The most important issues for the Suntory Group today are "human resource development" to take on the challenge of creating new value and "creating a creative workplace environment" where each and every employee can maximize his or her potential. We have also established a system to evaluate diverse employees who are willing to take on the challenges of higher goals without fear of failure.

\* This applies to 6,787 employees under employment of Suntory Holdings Ltd. or Suntory Beverage & Food Ltd. and work at Suntory Holdings Ltd., Suntory Beverage & Food Ltd., Suntory Products Ltd., Suntory Wellness Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Liquors Ltd., Suntory Wine International Ltd., Suntory MONOZUKURI Expert Ltd. Suntory Business System Ltd. Suntory Communications Ltd., Suntory Beer, Wine & Spirits Japan Ltd. and Suntory Global Innovation Center Ltd., Suntory System Technology Limited., etc. (As of December 31, 2021; excluding global Group expansion)

	 Employment Pattern	 Development of Human Resources	 Diversity	 Work-Life Balance	
 <p><b>Basic Policy on Human Resource</b></p> <p>We aim to create an environment that enables each employee to work with enthusiasm and challenge, and bring out their full potential.</p>	 <p><b>Employment Status</b></p> <p>2021 data for employees that work in the Suntory Group is provided.</p>	 <p><b>Development of Human Resources</b></p> <p>Based on a fair and reasonable human resource system, we are working to create an environment where employees can develop and harness their capabilities to the full.</p>	 <p><b>Diversity, Equity and Inclusion</b></p> <p>We endeavor to create an organization that enables diverse employees to carry out "Yatte Minahare" through the promotion of employee diversity and acknowledgment of their differences.</p>	 <p><b>Promoting Work-Life Balance</b></p> <p>We strive to foster work-life balance in employee-friendly workplaces where diverse employees can make full use of their capabilities.</p>	 <p><b>Labor/Management Relations</b></p> <p>Labor and Management cooperate to create a comfortable working environment.</p>





### **Occupational Health and Safety**

We promote occupational health and safety based on the belief that a workplace where employees can work with peace of mind is connected to the vibrancy of the company.



### **Suntory Group's Health Management**

We have started health management from 2016 to further promote the health of our employees and their families.



### **Group global People and Culture initiatives**

Suntory is involved in a wide range of initiatives on a global level as global expansion accelerates.

## To Create Harmony with Employees: Diversity Management

# Basic Policy on Human Resource

Suntory Group strives to be a group that continues to create new values through supporting the professional independence of each employee.

### Basic Policy on Human Resource

Suntory Group has a human resource policy based on diversity management on the basis of our diverse employees and aims to realize Growing for Good by creating an environment that enables each employee to work with enthusiasm by fully utilizing their potential.

- Employment centered on the person, without considering their nationality, gender, age or disabilities
- Assign the appropriate person for the right job to utilize their individual skills
- Offering compensation based on individual performance



A fresh and lively corporate culture is sustained by the employees who perform work and at the same time represent ordinary citizens. We will continue striving to be a company that can take on new challenges based on the spirit of "Yatte Minahare-Go for it!" spirit through implementing a system and creating an environment that are both challenging and comfortable to work in.

#### ■ Survey on the company's organizational climate through the Employee Awareness Survey

The Suntory Group utilizes management policies by continually monitoring the awareness of its employees in realization of Growing for Good. In recent years, these surveys have been widely expanded to Group companies with surveys conducted at 69 companies in 2021. The results have played a role in solving many issues by providing feedback to the heads of departments.

#### ■ Commitment to Local Employment

The Suntory Group is actively hiring locally at each of its business locations to foster ongoing sustainable growth together with the local communities where it conducts business. Approximately 20,000 employees are working at Suntory Group companies overseas, most of whom were hired locally. The overseas ratio is roughly 54% of Suntory's total employment. As a general rule, our overseas Group companies hire executives and upper management personnel locally.

To Create Harmony with Employees: Diversity Management

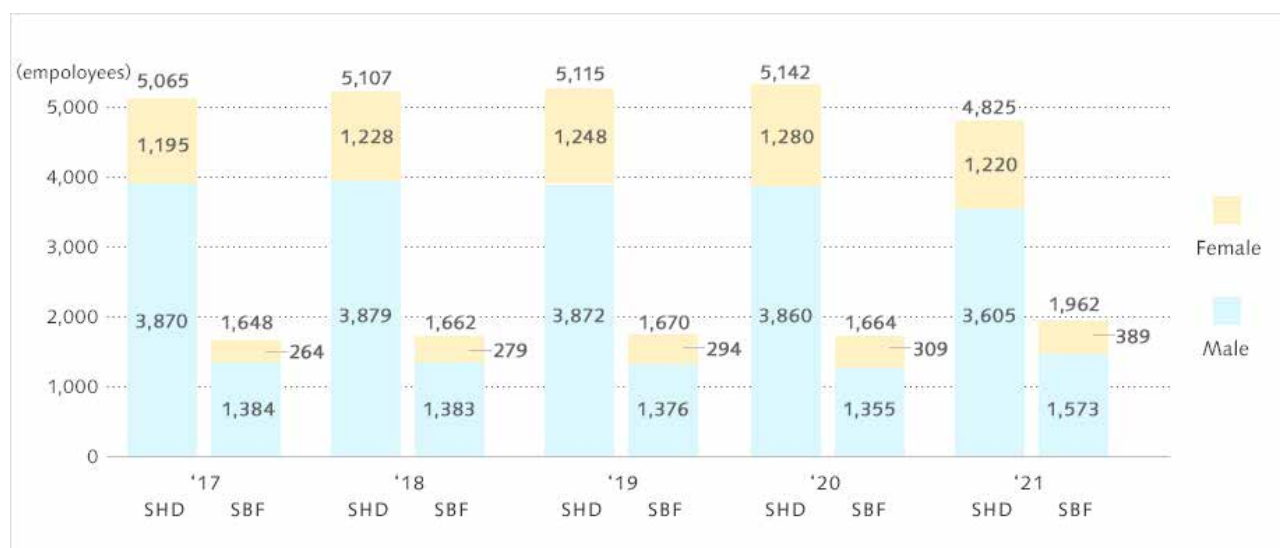
# Employment Status

2021 data for employees that work in the Suntory Group is provided.

## Employment Status at Suntory Group

Employment Status at the Suntory Group (Japan) as of December 31, 2021 is as below.

### ■ Number of Employees (as of December 31, 2021)



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

### ■ Average age and average length of employment (as of December 31, 2021)

	2017		2018		2019		2020		2021	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
<b>Average age</b>	41.3	42.3	41.7	42.6	42.1	42.8	42.4	42.9	43.1	42.0
<b>Average tenure</b>	17.1	17.8	17.5	18.1	17.7	18.3	17.9	18.4	18.6	17.4

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

■ Age and Ratio (as of December 31, 2021)

(employees/%)

SHD+SBF		2021			
		Male	Female	Total	Ratio
	60s	432	65	497	7%
	50s	1,209	280	1,489	22%
	40s	1,628	347	1,975	29%
	30s	1,408	538	1,946	29%
	20s	501	379	880	13%
Total		5,178	1,609	6,787	100%
Ratio		76%	24%		

■ Number of Employees (as of December 31, 2021)

(employees)

		2017			2018			2019			2020			2021		
		SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
	Male	45	13	58	43	14	57	44	14	58	44	14	58	44	14	58
	Female	2	3	5	2	3	5	1	3	4	1	3	4	1	3	4
Executives		47	16	63	45	17	62	45	17	62	45	17	62	45	17	62
	Male	1,432	643	2,075	1,459	654	2,113	1,497	668	2,165	1,541	686	2,227	1,593	676	2,269
	Female	200	40	240	217	40	257	231	42	273	239	47	286	256	66	322
Managers		1,632	683	2,315	1,676	694	2,370	1,728	710	2,438	1,780	733	2,513	1,849	742	2,591
	Male	2,438	741	3,179	2,420	729	3,149	2,375	708	3,083	2,319	669	2,988	2,012	897	2,909
	Female	995	224	1,219	1,011	239	1,250	1,012	252	1,264	1,043	262	1,305	964	323	1,287
Members		3,433	965	4,398	3,431	968	4,399	3,387	960	4,347	3,362	931	4,293	2,976	1,220	4,196
Employees		5,065	1,648	6,713	5,107	1,662	6,769	5,115	1,670	6,785	5,142	1,664	6,806	4,825	1,962	6,787
	Male	106	31	137	80	28	108	89	30	119	114	38	152	128	45	173
	Female	79	19	98	87	113	200	90	115	205	85	128	213	88	131	219
Contract employees, etc.*		185	50	235	167	141	308	179	145	324	199	166	365	216	176	392
Temporary staff		567	63	630	573	66	639	543	58	601	526	57	583	530	52	582

\* Contract and temporary employees: Special contract employees, part-time employees, added SBF partner employees from 2018.

\* SBF Partner Employees: Temporary staff that have become permanent employees.

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## ■ Number of Employees

(employees)

			2017		2018		2019		2020		2021	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		68	17	69	16	70	24	66	20	71	19
	Female		48	20	45	16	47	18	49	18	43	13
Experienced workers	Male		13	4	14	5	9	1	8	3	22	2
	Female		2	7	11	5	5	0	16	1	14	0
Total			132	48	139	42	131	43	139	42	150	34
Experienced workers ratio											24%	6%

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## ■ Number of Resignees and Reasons/turnover Rate

(employees)

		2017	2018	2019	2020	2021
Retirement* <sup>1</sup>	Personal circumstances	39	66	89	128	122
	Corporate circumstances* <sup>2</sup>	2	1	0	0	0
	Other	4	8	2	7	8
	Total	88	132	145	183	186
Turnover rate* <sup>3</sup>		0.67%	0.86%	0.80%	0.71%	0.83%

\*1 Retirement includes flexible-age retirement

\*2 Company reasons include plant closure, sale of business, etc.

\*3 Turnover rate is calculated based on retirees excluding those who retired at the mandatory retirement age.

## ■ Retention rate of new graduate hires



\* Calculated for new graduates hired by Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. that entered the company from 2014 to 2016.

## To Create Harmony with Employee: Diversity Management

# Development of Human Resources

Based on a fair and reasonable human resource system, we are working to create an environment where employees can develop and harness their capabilities to the full. Suntory Group has been engaging in development of human resources in the belief that growth of companies originates from human resources. With the current changes in the surrounding environment, we have given a collective name Suntory University for all Group-wide human resource development and training activities, in order to further strengthen them.

## Build Human Resource System to Develop and Harness Capabilities

The Suntory Group's human resource system focuses on developing and harnessing the capabilities of each and every employee. Our philosophy is to offer fair and reasonable compensation in accordance with the employee's stage of capability development, and the results shown from harnessing those capabilities. The following three themes are central to this basic philosophy.

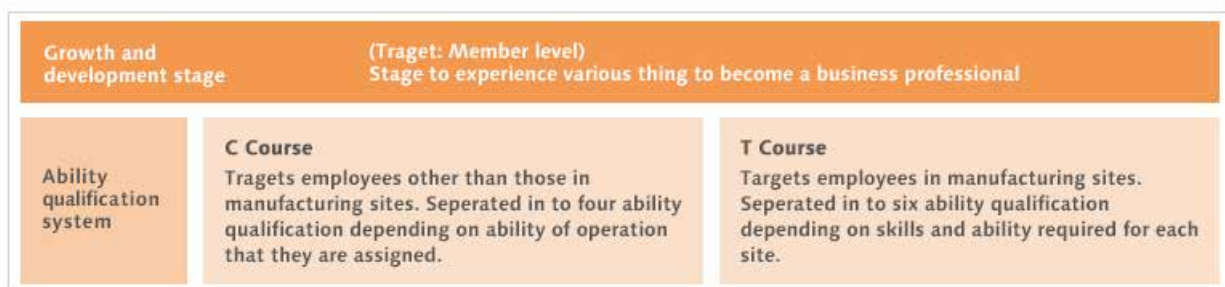
- Each employee takes on increasingly difficult targets and challenges with a spirit of improvement
- The company offers employees opportunities for skill and career development, and supports their self-actualization
- Compensation is fair, and clearly reflects the employee's role and results

### ■ Ability Qualification System and Qualification and Role System

The platform of Suntory Group's human resource system is Ability Qualification System and Qualification and Role System.

Ability Qualification System is a system which ranks the employees according to their ability to do work. This system is applied to member level employees that are in the process of becoming a professional in business. By clarifying which abilities are required according to the ability qualification level, everyone can be evaluated and treated justly and raise aspiration and raise awareness of achieving a target.

Qualification and Role System is a system which ranks the employees according to their ability to do work and roles they must fulfill. This system is applied to manager level employees that exhibit their experience and ability.



## ■ Fair and Reasonable Evaluations

It is required to evaluate individual employees in fair and reasonable manner according to their roles and achievements to establish a corporate culture that is based on performance. Thus, Suntory Group holds interviews between superiors and subordinates four times a year to provide evaluations that each and every employee can agree with.

Member level employees that Ability Qualification System is applied to create "work plan" during the setting interview at the beginning of the year and are evaluated through reflecting back their performance and process against that plan and discussing with their superior at review interview. Feedback interviews with their superiors that follow the evaluations are used to pass on the results, discuss expectations and areas for improvement in detail, and encourage understanding of both the evaluation and further development and growth in their capabilities.

For manager level positions that have subordinates are evaluated by their superiors and also evaluation from their subordinates are referenced to evaluate how much of their role required were performed from multiple perspectives. We believe that operating a system that employees can agree to will establish a corporate culture based on performance and create an environment where everyone has spirit of improvement.

## ■ Introduction of Challenge Targets

From 2013, Challenge Targets was implemented for member level employees. Challenge Targets is a system which the employees set ambitious targets that are more difficult than everyday work of their own and its results are added to performance evaluation. By setting their own challenging target without the fear of failing allows for them to take prudent actions, which strengthen the culture of "Yatte Minahare" in Suntory Group's DNA.

## ■ Establishment of the "Walk the Walk-Yatte Minahare Award"

From 2015, the "Walk the Walk - Yatte Minahare Prize" was established for all Suntory Group employees. This award recognizes teams that embody the "Yatte Minahare" spirit through the undertaking of original activities that challenge the preconceptions of conventional methods. In 2021, the seventh year, 365 teams and 4,000 names from all over the world entered. The Suntory Group is continually pursuing the creation of new value on a global basis by working hard and having big dreams.

We are working to cultivate a climate allowing employees to take on challenges in-line with the "challenging targets" that were described previously.

## ■ Implementing Evaluation System in Cooperation with Labor Union

The labor union conducts a questionnaire for their members about the above mentioned four interviews a year. It surveys how each union member is in agreement through checking if "interview with the superior was sufficient" or "did you understand the result of the evaluation."

The results of the surveys are communicated to executive management, and are used to manage and revise the human resources system. Additionally, if any shortfalls in the interviews were seen, management questions the superior who conducted the evaluation and provides guidance.

## ■ Wage System that is Connected with the Evaluation

Suntory Group's evaluation index is based on the "results" of how much of the "work plan" was achieved and prudent actions set in the code of conduct for each qualification for the member level employees. These two indexes are connected to the raise and bonus in our wage system. For the manager level employees, in addition to their qualification, roles they have taken and achievements made in that role is used is considered in the wage system.

In addition, company's performance is made clear according to a set rule and is directly connected business performance as business performance-based bonus and retirement benefit pension system for long term stable pension are also available.



### ■ Introduction of "Career Vision"

The Suntory Group has been operating a system for employees to report the status of their workplace and desire for transfers to the human resource department once a year. We have advanced the placement of employees with the growth of individuals as the primary focus based on these reports more than ever before. In 2013, we created "Career Vision" for development of each employee and for assignment of the appropriate person to the right job in the aim of promoting each employee to grow mindful of their career. This system merges employees, their superiors, and human resources work to achieve optimum human resource assignments and encourage the growth of every employee. Based on the Career Vision Sheet filled out by each employee, their long-term career goal and efforts needed to achieve the goal are discussed.

In 2014, we established a site with information to support each employee's career design on the Intranet and other initiatives to strengthen the system.

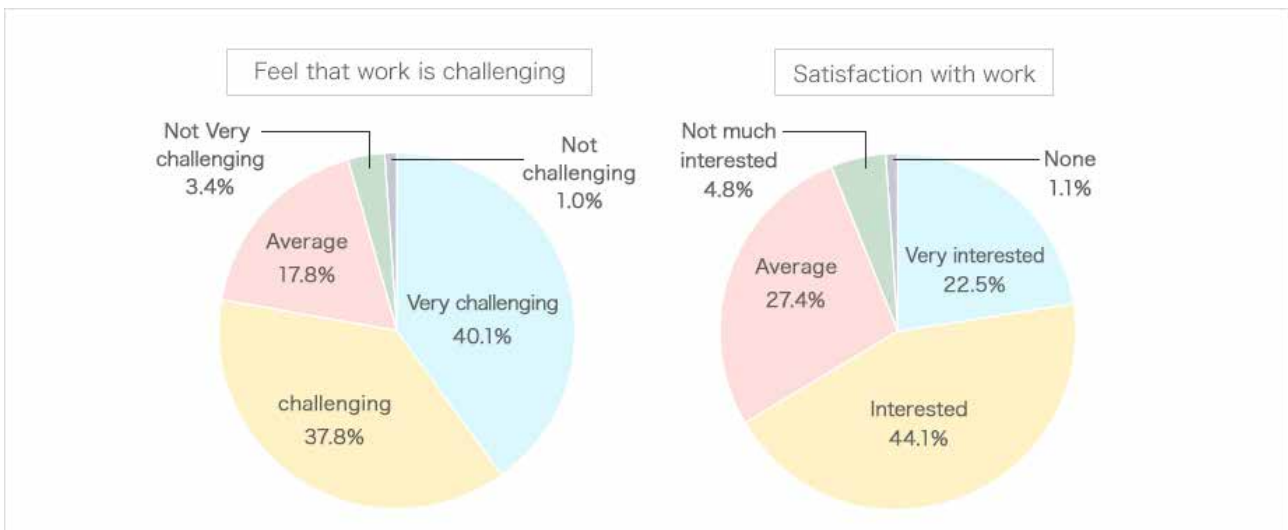
In addition, we have implemented a job rotation system for employees to experience multiple jobs over roughly ten years from when they enter Suntory to expand the possibilities of young employees. We are actively engaging in individual interviews with employees and the human resource department, including interviews with all fourth year and ninth year employees, to assign the right person to the right place.

### ■ Surveying Employee Awareness and Company Climate

We check things from the current situation of employees, the awareness about work, and aspects related to their health, family, and history to their desire for transfer and motivation towards work in interviews with the Career Vision. The results showed that 77.9% of employees felt motivation in their work and 66.6% of employees were satisfied with their work in 2021. The responses of individuals plays a role in assigning the right person to the right place considering the desire of the individual and it connects to the direction of corporate activities.

In addition, the Suntory Group conducts surveys about the organizational climate to assess how the corporate philosophy is recognized and understood in the daily operations of each employee that works in the Suntory Group. We are also surveying how employees see the organizational climate of each company and workplace, the policies, and compliance to share and utilize with management as well as each company and each division. We also conduct employee awareness surveys outside Japan, and in the 2020 survey, about 80% of the respondents said they were proud to work for the Suntory Group.

#### FY2021 Work Awareness



## ■ Selected as One of the Most Admired Companies by Fortune

Suntory was ranked 4th in 2019 (Beverage and Alcoholic Industry) by Fortune magazine in The World's Most Admired Companies, the highest rank ever obtained by a Japanese beverage company.

The American magazine Fortune has been ranking global companies every year since 1997. The assessment is conducted for 650 companies with power on the world stage according to criteria for nine key attributes\* based on a survey of roughly 4,000 people from corporate management to financial analyst.

\*

- ( 1 ) Innovation
- ( 2 ) People Management
- ( 3 ) Use of Corporate Assets
- ( 4 ) Social Responsibility
- ( 5 ) Quality of Management
- ( 6 ) Financial Soundness
- ( 7 ) Long-Term Investment Value
- ( 8 ) Quality of Products/Services
- ( 9 ) Global Competitiveness

Suntory has participated in the survey since 2013.

We will strive to continue to be recognized worldwide in the future with pride in the high regard we have already earned around the globe for our corporate activities.

## ■ Suntory Receives Hall of Fame at the Fourth Nikkei Smart Work Awards

In the Nikkei Smart Work Management Survey conducted by Nihon Keizai Shimbun, the company received the Grand Prize for the 2nd and 3rd consecutive years, and in the 4th and 5th screening in 2021 and 2022, respectively, the company was selected for the Hall of Fame, which is reserved for companies that have received the Grand Prize in consecutive years. The company has consistently received the highest five-star rating in the overall evaluation. In particular, in the area of "ability to utilize human resources," the promotion of diverse work styles, such as the promotion of telecommuting, has been highly evaluated.

# Suntory University

The Suntory Group is supporting the development of employees based on the belief that employees have always been the source of growth for companies.

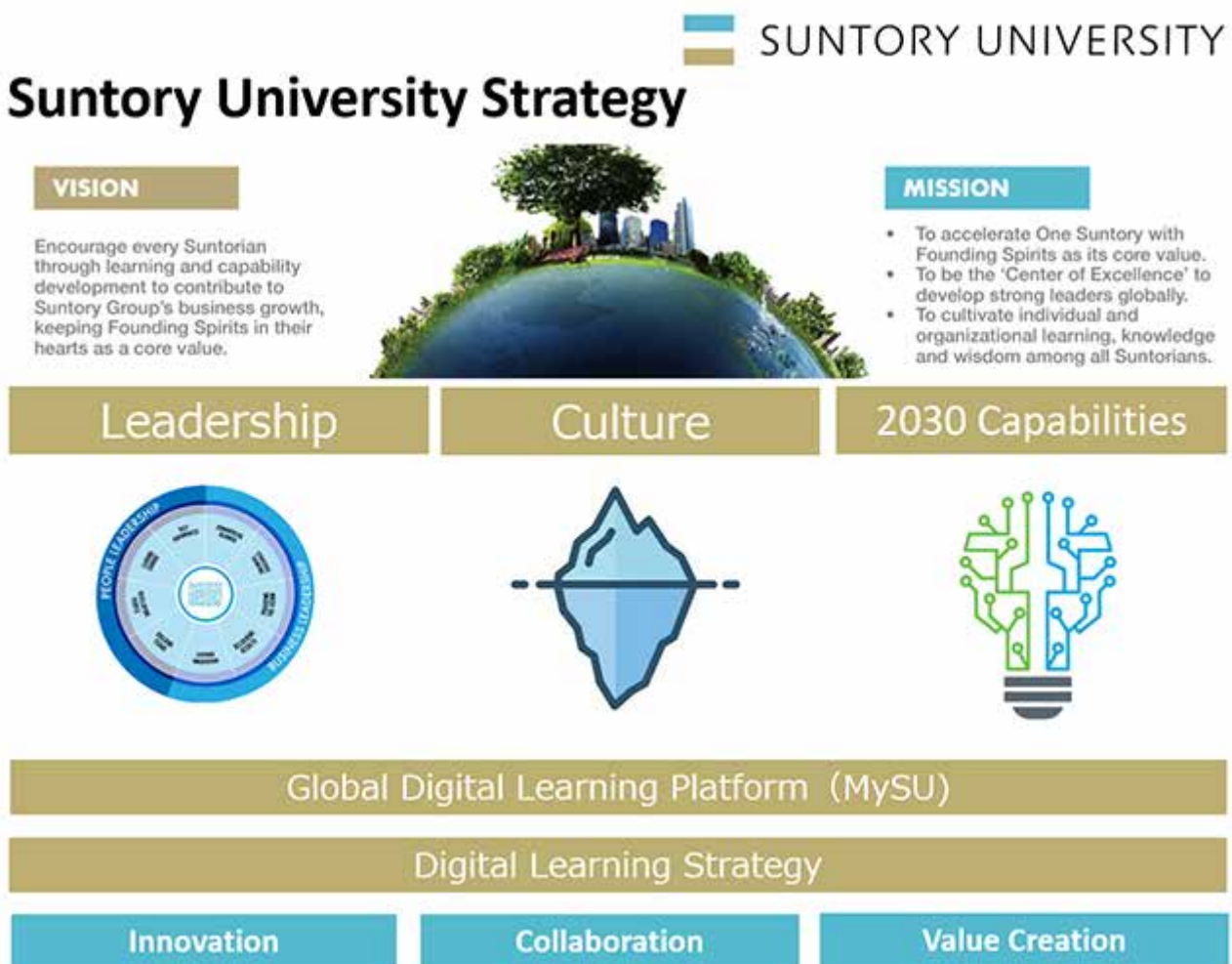
Suntory University was opened in April 2015 as a place for all people at Suntory to learn and unite as ONE SUNTORY with the founding spirits as a shared value. We endeavor to support our employees through a broad range of development initiatives.

## Vision of Suntory University

- Encourage every Suntorian to contribute to Suntory Group’s business growth
- Keep Founding Spirits in their heart as a core value.

The vision also includes the realization of "One Suntory" globally through understanding of the founding spirits by all group employees.

Suntory University provides learning opportunities to all employees who belong to the Suntory Group in three fields; Leadership, Culture and 2030 Capabilities.



## ■ Global

### Leadership

We provide opportunities for our employees to develop their leadership through customized programs including action learning, case method, workshop with senior management etc. and carefully craft the programs so that they always link to management strategies.

#### Suntory Harvard Program

The Suntory Harvard Program aims to provide employees with a broad and expansive view of the global environment, and understand how successful businesses thrive in a complex, competitive and rapidly changing global economic environment. This program will broaden a perspective to be true global leaders and global thinkers, to establish a strategic roadmap for Suntory's future, lead culture transformation, leverage diversity and embrace inclusion to accelerate innovation and disruption in our industries.

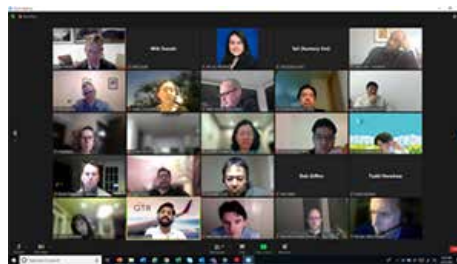


#### Beyond Borders

The Beyond Borders Program aims to develop future leaders with an enterprise-wide mindset across Suntory and accelerate development journey towards Senior Leadership.

It intends to increase individual leadership effectiveness; drive innovative thinking ( 'seeing the unseen' ); accelerate strategic thinking through understanding our business & challenges within that. The program allows our senior leaders to build a global network to accelerate the development of cross enterprise leadership capabilities across the organization.

In 2021, 25 participants were selected from our Business Units around across the globe. Partnering with Wharton Business School, part of the University of Pennsylvania, the program started in November 2021 and finishes in June 2022, consisting of four modules. The first module begins with conversations about their own "Leadership Identity" , and each module after that focuses on a different element of strategic leadership: Vision (Growing for Good), Strategy (Develop the roadmap), Impact (Lead the Change). Following each module participants are assigned to teams to focus on an 'Action Learning Project' that allowed them to apply their learning against real business challenges and opportunities. We have used a hybrid approach to delivery with the first three modules virtually and the last one in person in Tokyo.



## GLDP

The Global Leadership Development Program (GLDP) is designed to develop Strategic Development across our Suntory Leadership Spirit Leadership behaviors. It aims to continuously produce future global management talents at the mid to senior leader level selected from throughout the Suntory Group. The program also seeks to develop a global leadership mindset & broaden perspective for the future while creating emotional bonds to Suntory & other leaders across the globe.

GLDP is an 8-month program that includes three modules, study groups, and an action learning project, all facilitated by Suntory University and the Moller Institute from the University of Cambridge.

In 2021, due to the global pandemic, two of the three modules were held virtually, and a total of 26 participants from different countries and different businesses joined them.

Participants attended lectures by Moller Institute business school faculty and outside experts. Weaving the Suntory Leadership Spirit through the whole program, some of the topics included next-generation leadership, self-awareness, understanding of Suntory's DNA and business, and cross culture team effectiveness as well as strategic leadership core topics.

We were able to deepen understanding by connecting lectures on sustainability and innovation to Suntory's leadership behaviors, and a unique leadership development is realized.

The program attendants will gain a deep understanding of the nature of leadership in global management through the experience of integrating their learning, applying it to 'real life' and presenting it to the top management through their Action Learning Projects.



## Culture

We have started and are planning to expand the activities at all group companies to share and deepen understanding of the founding spirits, “Yatte Minahare” spirit and the spirit of “Giving back to society.”

### GLF

The Global Leadership Forum (GLF) is held for senior leaders who have newly joined Suntory Group to provide immersion, inspiration & connection to Suntory as an organization through the MVV & Suntory culture.

\*Due to the pandemic, the program was divided into three themes (using our 3 EVP guiding pillars) and conducted virtually.

The program also raises the awareness of being a member of Suntory, educating on Suntory's DNA such as its Founding Spirits and corporate culture, and provides a platform for executive conversations about how to apply it to leadership situations in their own business.

By providing the opportunity to network for participants, they can strengthen connections, share expertise and experience and identify seeds of synergy as well as gain a global management perspective at a Suntory Group level.

The President, Vice Presidents, and other top executives themselves are heavily involved in the program content and some also act as lecturers for the sessions.

The program includes guest speaker workshops and other activities that allow participants to learn about Suntory's culture in a well-structured way.

- To strengthen connections among senior leaders extending their professional network
- To enable sharing of knowledge and experience and to leverage the enterprise-wide mindset and perspective
- To be inspired with new ideas and approach toward leadership through listening to a diverse range of leaders' discussion.

The program is packed with content great for stimulating participants such as workshops held with guest speakers in addition to the large contributions made by top management in creating materials and as session lecturers on that day.



## Ambassador Program

This program targets employees of overseas Group companies and aims to raise their understanding of Suntory and nurture unity as a member of the Group. Through dialogue with Suntory management, interaction with global Suntorians from around the world who are participating together, and an understanding of the Suntory Group's culture, Founding Spirits, and the differences and similarities among the various organizations within the Group, participants are ultimately expected to serve as "ambassadors" to spread Suntory's culture within their own organization.

In previous years, participants from overseas countries were invited to Japan for hands-on training to see various Suntory Gemba(field site).

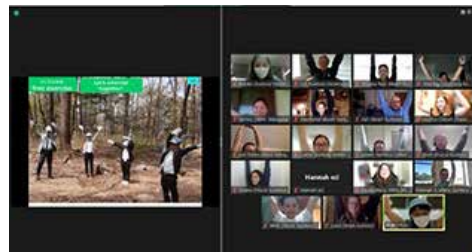
After a one-year postponement due to the pandemic, the training was conducted virtually for the first time in 2021.

Through these three months, the participants were able to build a strong network across organizations, functions, and countries, and feel connected to the greater Suntory Group.

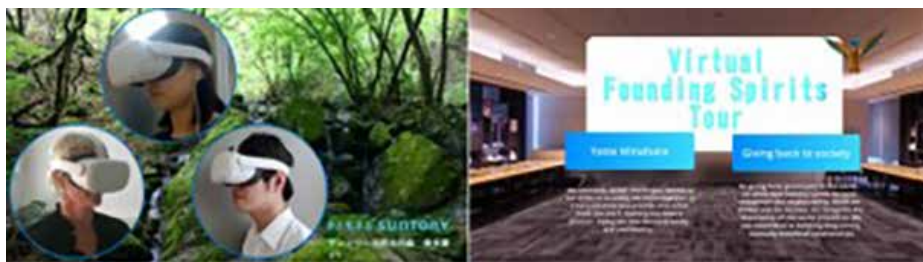
Since this year's program was held virtually, we also tried various digital measures, such as the "Founding Spirits" tour using virtual reality (VR) and e-learning in MySU. It has been held more than 20 times since 2012, and the total number of participants is around 600. We will continue to evolve the Ambassador Program further in the future to share the founding spirits that is the strength of the Suntory Group globally. We will forge ahead in creating a truly global ONE SUNTORY and look forward to hosting the 2022 program back in Tokyo.



Program was held 100% virtual



Virtual Mizu-iku



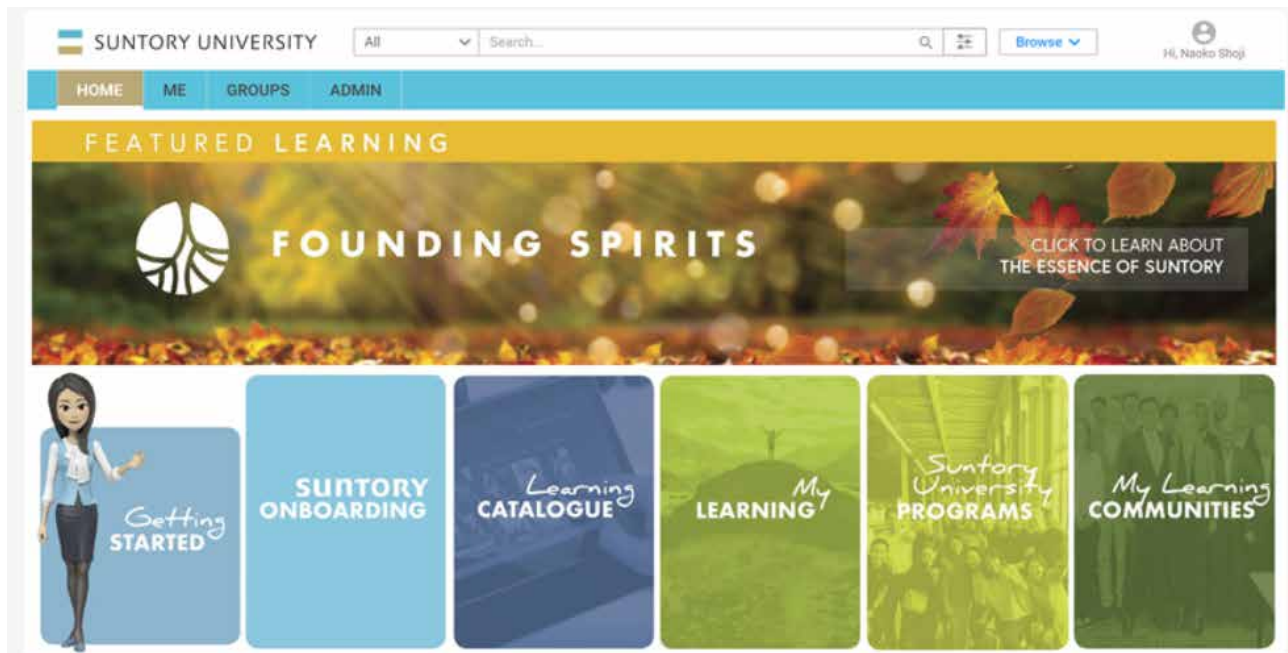
Founding Spirits tour using VR

## 2030 Capabilities

We provide an opportunity to develop the skills needed for the future such as the newly established Suntory Leadership Spirit (SLS), Digital Commerce Academy, Sustainability and DEI (Diversity, Equity and Inclusion)

## Digital Learning Platform

Our Global Online Digital Learning Platform “MySU” (My Suntory University) expands the digital world of learning for all Suntorians across the globe.



This digital learning platform directly supports our vision at Suntory University - to encourage every Suntorian through learning and capability development to contribute towards Suntory Group’s business growth. MySU gives Suntorians access to online learning courses, education materials, videos and development tools as well as information about the in-person Global Suntory University development conferences, seminars and experiences.

### ■Japan

#### Sharing and Practicing the Spirit of Culture and Founding

We have built in sessions to learn the founding spirits within various regional programs such as junior employee program and new manager induction program. In particular, newly appointed managers visit the Suntory Museum of Art and Suntory Hall. This gives an opportunity for participants to directly see and feel how Suntory’s corporate philosophy has been carried out and also deepen the understanding of our value “Giving back to society” from management viewpoints. We also give our junior employees a chance to learn the Suntory Group values directly by having site visit to facilities such as Yamazaki Distillery, Domyoji Takadonoen - nursing facility founded by Suntory and the birthplace of the founder, Shinjiro Torii.



Suntory Hall site visit



Forest Development Activities



## Foundation for Human Resource Development (Japan only): To continually support and nurture every Suntory Group employee

This field spearheads the skills of each and every employee and provides a place to open up avenues to one's career by recognizing themselves as the owner of their own careers. The program has been structured based on two axes; Growth as a Suntorian (stratified training from junior employee to manager) as well as Career Independence and Self Enlightenment (career support) for employees in Japan.

### Stratified Training

Stratified training deepens education under various themes that include the desired skills and knowledge as well as management skills and leadership at each level of employment from junior employees to new appointed professionals, new managers, and newly appointed senior general managers. This department incorporates programs to foster the growth of each employee who supports the Suntory Group for junior employees to managers. In addition, basic training programs suitable for each stage of business are also conducted in each department from sales to production.

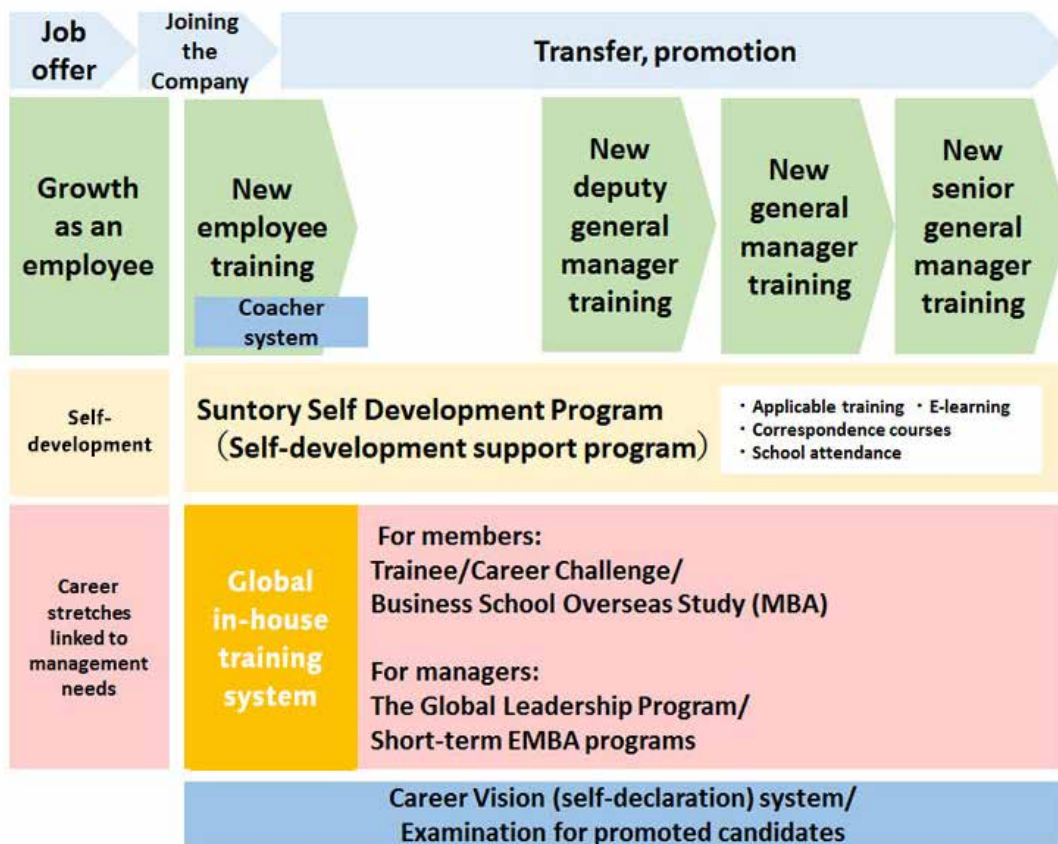


### Supporting Career Planning and Development of Each Employee

The Suntory Group established the Career Support Section in 2007. This section supports the independent career development of each and every employee through efforts that include individual career consulting with expert advisors, follow-up interviews after a personnel transfer, workshops by generation and other follow-up interviews. All of our employees systematically take career workshops that support each generation under the concepts of enthusiasm in unique work styles and work enjoyment as the owner of their careers. Employees build avenues to consider their careers in their third year with the company, and then design their own career path in their tenth year to pursue into the future. We hold workshops at the age of 43, at the middle point of business person, with the aim of looking back on our careers and establishing our own personality. In addition, we will hold two application-type workshops, "38 to 47 years old" and "48 to 57 years old", to draw a career vision that is unique to you based on deep self-understanding in order to master your future career. For the purpose, we provide the opportunity to take classes anytime and as many times as you like. With the introduction of the 65-year-old retirement age, at the age of 58, we are supporting career development that will make future life more positive through work, with the theme of lifelong career enhancement that makes use of the power cultivated so far.

**Development Concepts/Overall Training and Self Enlightenment Programs Framework**

We have built an education system that responds to the specific skills and attributes that are required to support the growth of Suntorians.



**Various Development Programs**

In order for each employee to work and grow as a person, it is necessary for him or her to take responsibility for his or her own work life and continue to make positive, proactive efforts. Therefore, the Suntory Group has adopted the Suntory Self-Development Program (SDP) as a self-enlightenment support program. In particular, Group employees in Japan can take courses available for everyone as Elective Training to not only learn the course content but also take advantage of the program as an effective means to building a network between Group companies.

Furthermore, in recent years, we are enhancing our support in strengthening English skills as a way to respond to globalization. We have prepared a broad support system from small group lessons at the office to private lessons at schools, e-learning and distance learning for beginning level students as well as upper level students who use English in their daily work. In the future, we will continue to support employees who strive to move forward proactively. Also, Suntory University has expanded its e-learning programs since 2019 to give employees more opportunities to study anywhere, anytime.

## Main self-development programs and the number of participants in FY2021

Type of training	Description	People
Elective training*	Elective training provides approximately 40 different types of courses (twice/year) with training designed to teach the necessary business skills to succeed in the career plans envisioned by our employees	1,243
Enhancing English ability*	This program provides various courses such as in-office English lessons and online lessons aimed to enhance business communications skills in English. A wide range of support content is available so that students can effectively take the course best suited for their skill level.	1,122
e-Learning	We offer programs from 5 external partners that you can take freely online. The programs cover a wide range of contents from business skill acquisition to private life-related matters. We support self learning anywhere during hiatus. This training program aims to heighten the ability to execute operations and gain the knowledge required for operational innovation. The courses include business skills, language acquisition, and computer skills.	1,350
Financial Support System for Attending School and Distance Learning	Suntory provides support for up to half the costs of schools and distance learning programs aimed at improving students skills (up to maximum limit). The courses that can be taken range from the skills necessary to execute operations (accounting, legal knowledge, etc.) to improving language skills and acquiring certifications	479

\* These are elective programs that employees can participate on their own accord which the company will take on some of the training costs

### Terakoya

We launched Terakoya, a peer-to-peer learning platform, to make Suntory the best company in the world for human resources development in 2017. The concept of this platform is "learning", "teaching each other" and "connecting".

The target of Terakoya is about 20,000 employees in Suntory group. They can join Terakoya for free, learn business skills or liberal arts, and become an instructor to share their own knowledge with others. In 2020, due to the COVID19 disaster, the event was completely online, and the number of users increased significantly.

[2021 results] Number of participants (total): 32,196 Number of annual events: 272 (177 events were sponsored by employees )



## Other Development Programs in Japan

Name	Description	Number of participants 2021	2011 - 2021
Career Challenge Program	Individual tailored program for junior employees to enhance skills needed for global business (language, cultural awareness, cross-cultural communication, leadership, logical thinking, management through figures, etc.)	7	83
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	3	32
Trainee program	Trainees brush up their professional skills, gain language and communication skills, global business skills, and leadership skills through the one year on-site training at overseas companies.	6	99



Workshops in the Career Challenge Program



A trainee who has shown his presence at a meeting with overseas team members

## Promotion of ONE SUNTORY

### Training for New Graduates Across Group Companies in Japan

The Suntory Group has deepened its bonds by holding training together with multiple Group companies since 2014. The program includes courses about the mindset of professionals as well as basic business manners, with a hope to drive future synergy by fostering one Group mindset from the time employees join the company.

\* Suntory Marketing & Commerce Ltd., MONTE BUSSAN K.K., Suntory Logistics Ltd., Suntory Chita Distillery, Suntory Foods Okinawa Ltd., SUN-AD Co., Ltd.



Company Presentations (presentations given by each company about their company) in 2019



Participants shown in a group photo taken at the end of the training session in 2019

### Mid-level Breakthrough Training Together with Group Companies in Japan

We held Mid-level Breakthrough Training for Mid-level employees for the fifth time in 2021 with 42 employees from 10 companies participating online. We held sessions for employees to think about the future of their careers by revisiting their work from first entering the company up until present day as well as universal skills that includes identifying points for further growth in the future.



### Manager Training Together with Group Companies in Japan

In 2021, the eighth Manager training was held with the participation of 28 employees who have less than three years of managerial experience. Those who are from 12 different companies have learned the standards of managers online. Over two days, lectures and role-playing with focus on developing people were held through company and individual presentation as well as by experienced managers.



Lecture for senior employees

## ■Award for Companies Providing Career Support

Suntory Holdings Ltd. was presented with Award for Companies Providing Career Support in 2013 held by the Ministry of Health, Labour and Welfare. The Award for Companies Providing Career Support actively supports the development of employees' careers and praises companies based on other criteria for the purpose of raising broad awareness and standardizing career development initiatives.

We believe this award highly evaluates our initiatives to actively support the career development of our employees to give each and every person at Suntory enthusiasm and motivation as well as bring the Yatte Minahare spirit to its full potential.



Presented with a commemorative plaque at the award ceremony

## To Create Harmony with Employee: Diversity Management **Diversity, Equity and Inclusion**

### **Our Commitment To Diversity, Equity and Inclusion**

In line with our vision of Growing for Good, Suntory Group is committed to Diversity, Equity and Inclusion (DEI). Although at different stage of evolution, Suntory Group companies have taken steps to derive strength from diversity and enrich our workplace through inclusion. Not only do we commit to recognizing, valuing and respecting diversity and actively promoting and fostering inclusion, we will find ways to ensure equity as we listen to the voices and perspectives of our employees and take action.

In November 2021, we have established our first global DEI vision and strategic pillars. This is our ambition to build an environment where each and every Suntorian to unleash their spirit.



#### **DIVERSE WORKFORCE**

We bring people together as Suntorians.  
We treat our uniqueness as strengths where everyone can feel pride for who they are by unleashing their spirit.  
We embrace equity for all and seek to develop talents from diverse backgrounds at every level and region of our organization.



#### **INCLUSIVE WORKPLACE**

We educate, advocate and communicate from the top to foster an inclusive workplace to empower individuals to thrive at their best.  
We cultivate a culture where everyone feels a sense of belonging and feels safe to bring their whole selves to work.



#### **CUSTOMERS & COMMUNITIES**

Growing for Good. Be the preferred brand in the markets we serve by fostering partnerships with our diverse customers, suppliers, and vendors that reflect our values and behaviors.  
We support underrepresented communities and businesses for a sustainable future.

## ■ Vision Statement

We are all Suntorians, we are all unique.

We courageously embrace diversity and equity, and cultivate a culture of inclusion.

Let's be bold, be curious, and the best we can all be for our colleagues, customers and communities.

Yatte Minahare.

## ■ Strategic Pillars

### DIVERSE WORKFORCE

We bring people together as Suntorians. We treat our uniqueness as strengths where everyone can feel pride for who they are by unleashing their spirit. We embrace equity for all and seek to develop talents from diverse backgrounds at every level and region of our organization.

### INCLUSIVE WORKPLACE

We educate, advocate and communicate from the top to foster an inclusive workplace to empower individuals to thrive at their best. We cultivate a culture where everyone feels a sense of belonging and feels safe to bring their whole selves to work.

### CUSTOMERS & COMMUNITIES

Growing for Good. Be the preferred brand in the markets we serve by fostering partnerships with our diverse customers, suppliers, and vendors that reflect our values and behaviors. We support underrepresented communities and businesses for a sustainable future.

Regardless of our individual uniqueness, we will work together, listen and learn from each other, and be bold at times to create a better future for everyone. We are proud to see the various steps that each business is already taking in their organizations, and will continue to grow as individuals and as an organization.

Below are some Japan's local initiatives around Diversity, Equity and Inclusion.

Further updates on global initiatives from different regions and businesses are coming soon.

## [Overcome countries]

### ■ Global Employment

We actively recruit new graduates from universities around the world and experienced professionals who have worked with global colleagues and gained various experiences in order to discover and acquire talents who have both Japanese and international perspectives and can exercise leadership in the global group.

We will continue to promote efforts to further establish our recruitment brand, aiming to be the company of choice for talented people from around the world.



## [Overcome gender]

### ■The Advancement of Female Employees

The Suntory Group is aiming to increase the ratio of female employees in managerial positions to 30% by 2030. We are conducting various initiatives in Japan by defining challenges such as the awareness and transformation of prudent actions according to the provision of deliberate career advancement opportunities and early return to a full work load for employees who are raising children to continually cultivate female managers.

Employees in their fourth year of employment participate in the so-called “The Fourth Year Training” where they are asked to reflect on their lives and careers and to think of how the work productivity can be improved. We support smooth return to work and full engagement of employees who return after maternity leave by providing safety net in the form of baby-sitter programme for those employees who are unable to use daycare facilities, or by bearing the costs of baby-sitting services when a child is sick or in case of other emergency. We organize seminars before and after the maternity leave so as to raise the awareness of employees regarding their duties and to facilitate their full and early return to standard working hours. In addition, simultaneously with the maternity leave follow-up seminars, we provide guidance to the employees’ supervisors to enhance the support from the managers to the returning employees.

As a result, we have received positive feedback that have mid- to long-term perspective such as, “My activities have been able to contribute to the entire department and I would like to act as a role model for other employees in the same situation.” Furthermore, managers support the advancement of female employees by demonstrating that they expect their future achievements.

In addition, we are conducting a Career Cafe for Female Leaders and Facilitation of External Seminars that target employees one step away from management because deliberate career advancement opportunities should be enhanced for both awareness and skills. This has become an opportunity to build further awareness about the challenges through means such as listening to the experience of managers who act as role models and the interaction with other participants both inside and outside of the company.

In addition, as a means of strengthening networking for all female managers and experienced employees, we will hold voluntary activities through the holding of women leader forums and the formation of a secretariat by volunteers, as well as expanding the circle of women leaders globally. We aim to accelerate the growth of the entire group in addition to the growth of the individual.

We are also actively promoting cooperation with external parties such as the New Generation of Women in Sales College to facilitate ongoing participation over the seven years since 2014.

Through these activities in Japan, the ratio of female employees in management positions has increased to 11.2% at the end of 2021. We are continuing to innovate working styles and change awareness to realize a company that is an easy place to work and allows our employees to succeed.

Beam Suntory also aims to increase the the ratio of female employees in management positions to 50% by 2030. By the end of 2021, the ratio of female employees in management positions has increased to 19% in the U.S. and 21% outside the U.S..



Group networking women's networking at Group Global

## Female employment data



## Number of male and female employees by Management or Non-management position



\* December 31, 2021

\* This is the total of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

## Promoting LGBTQ Activities

The Suntory Group continues to engage in LGBTQ activities with the aim of becoming a company where every employee can be themselves and work enthusiastically. We have launched a project team in 2016 to strengthen our LGBTQ initiatives. In 2017, we furthered inclusion with efforts which included the revision of employment regulations to include same sex partners in the definition for spouse, the setup of a consultation office for LGBTQ employees, the creation of an LGBTQ handbook for LGBTQ employees and allies as well as e-learning for all employees.

These activities have been awarded the highest rank of Gold in the PRIDE INDEX\*<sup>1</sup> advocated by work with Pride\*<sup>2</sup>, which evaluates initiatives for sexual minorities including LGBTQ in the policies of organizations such as corporations and association.



Awarded the gold with the highest rating in the LGBTQ initiative index "PRIDE index"

\*<sup>1</sup> This organization supports the promotion and implementation of diversity management for LGBTQ and other sexual minorities. work with Pride aims to share information and provide opportunities for each company to actively engage in diversity promotion to help build workplaces where LGBTQ people can be themselves while working at Japanese companies.

\*<sup>2</sup> This index is broken down into five categories: 1. Policy, 2. Representation, 3. Inspiration, 4. Development, and 5. Engagement/Empowerment. This is the first index for LGBTQ in Japan established in 2016.

## [Overcome handicap]

### ■ Employing Persons with Disabilities

The Suntory Group is working to expand the possibilities for persons with disabilities by employing them without considering job type. We actively engage in activities such as opening special contact point for candidates with disabilities, advertising announcements for new graduate and mid-career candidates, and cooperating with Hello Work. In addition, we have advanced job development at all group companies and started Group-wide employment guidance sessions in 2012. The rate of employment for persons with disabilities as of June 1, 2020 was 2.82% at Suntory Holdings Ltd. (employing 107 persons with disabilities with 43 persons with severe disabilities) and 2.66% at Suntory Beverage & Food Ltd. (employing 35 persons with disabilities with 15 persons with severe disabilities).

We have held an internship for students who are intellectually disabled since 2014 to further promote their empowerment and 27 people have entered the company over the last seven years up to April 2020. This team opened the “Collaborative Center” in the Odaiba office in April 2018. In April 2020, we expanded the office to the Osaka and Tamachi office, aiming to provide business support for the entire Suntory Group and practice diversity and inclusion.

In January 2021, we joined "The Valuable 500\*<sup>3</sup>," an international initiative that promotes the advancement of people with disabilities, and we will continue to further strengthen our efforts at all Group companies.

\*<sup>3</sup> The Valuable 500 is an initiative launched at the World Economic Forum Annual Meeting in Davos in January 2019 to encourage business leaders to initiate reforms that will enable people with disabilities to demonstrate their potential value to business, society, and the economy.



### ■ Number of employees with disabilities and employment rate (as of Friday, June 01, 2021)



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.



Group-wide Unified Guidance for the Hiring of Persons with Disabilities

## ■ Introduction of Disability Support Leave Policy

We introduced the Disability Support Leave Policy in 2013 based on our desire to create an energetic environment more able to empower persons with disabilities. Five days a year are given as special leave to people who have a disability certificate. This policy can be used regardless of whether an employee works on a full-time or a part-time basis. A handbook has also been created and distributed to support managers supervising persons with disabilities.

We are furthering the building of an easier-to-work environment while promoting the employment of persons with disabilities now and into the future.

## [Overcome age]

### ■ Extension of Retirement to Age 65

The employment needs of individuals after retirement are estimated to grow in the future due to economic reasons after policy revisions such as an increase in the age people may start receiving national pensions as well as a growing desire to continue working. The technical ability and skill that people who have reached retirement age have accumulated are valuable assets from the perspective of the company.

The Suntory Group has introduced the Extension of Retirement to Age 65 policy in April 2013 to more widely utilize the experience and high-level skills which senior-level employees have accumulated over many years in addition to responding to the employment needs of employees over the age of 60. This new policy assists employees over the age of 60 to acquire one of three certifications (expert certification, member certification, support certification) that have been newly established according to the certifications and position the person has reached by the age of 60. In addition, we have introduced an assessment of results and prudent actions based on the target management policy even for individuals over the age of 60. The items for the assessment of prudent actions are operational contribution and next generation contribution. Moreover, we are periodically holding Life Plan Seminars that review life after retirement in addition to providing opportunities to think about a senior career at Career Workshops that are always taken by employees while they are in their 50s.

We will keep tapping into the knowledge of veteran employees who have accumulated the wealth of experience over the years, and provide them with all necessary support.

### ■ For each person's thinking innovation

Based on the importance of accepting and making use of something different from each other, we conduct training for managers to learn about management that utilizes diversity and how to deal with unconscious bias. We will continue to send information regularly to further accelerate diversity awareness activities.

## Evaluation from External Parties

Suntory has been reviewed as follows by external parties as a result of these initiatives.

### ■ Diversity Management Selection 100

An initiative started in 2012 by the Ministry of Economy, Trade and Industry that evaluates and selects companies of various sizes from different industries for their initiatives in diversity management as management able to contribute to economic growth. Furthermore, it aims to promote the spread of diversity through the communication with selected companies as best practices.



### ■ 2018 J-win Diversity Award Honors Suntory with the Semi-Grand Prize for Advancement and Development of Women

The Diversity Award has been held by NPO J-Win since 2008. J-Win assesses the progress of diversity and inclusion promotion on an absolute scale at each company as well as a relative evaluation of progress to present awards for the purpose of accelerating diversity and inclusion promotion in Japanese companies by commemorating companies leading diversity and inclusion policy.

### ■ Suntory Receives the Highest Eruboshi Certification (Grade 3) for its Work as a "Company that Promotes the Empowerment of Women"

Eruboshi is a certification given by the Minister of Health, Labour and Welfare for the goal of promoting the empowerment of women at companies based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Companies are evaluated based on the following five factors: 1. Level of female employment, 2. Level of continuation of employment by women, 3. Working style (work hours, etc.), 4. Ratio of female employees in management positions, and 5. Existence of diversified career paths.

\* Acquired by Suntory Holdings Limited



### ■ Suntory Receives the Highest Kurumin Certification "Platinum Kurumin" for its Work as a "Company that Creates a Supportive Workplace for Employees with Children"

The Kurumin Mark is a certification given by the Minister of Health, Labour and Welfare to companies that promote the introduction and utilization of systems and implement high-standard initiatives all aimed at promoting efforts which support both work and child rearing based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

\* Acquired by Suntory Holdings Limited



## To Create Harmony with Employees: Diversity Management

# Promoting Work-Life Balance

We strive to foster work-life balance in employee-friendly workplaces where diverse employees can make full use of their capabilities.

Below are some initiatives around promoting Work-Life Balance in Japan.

Further updates on global initiatives from different regions and businesses are coming soon.

### Policies to Reduce Excessive Working Hours

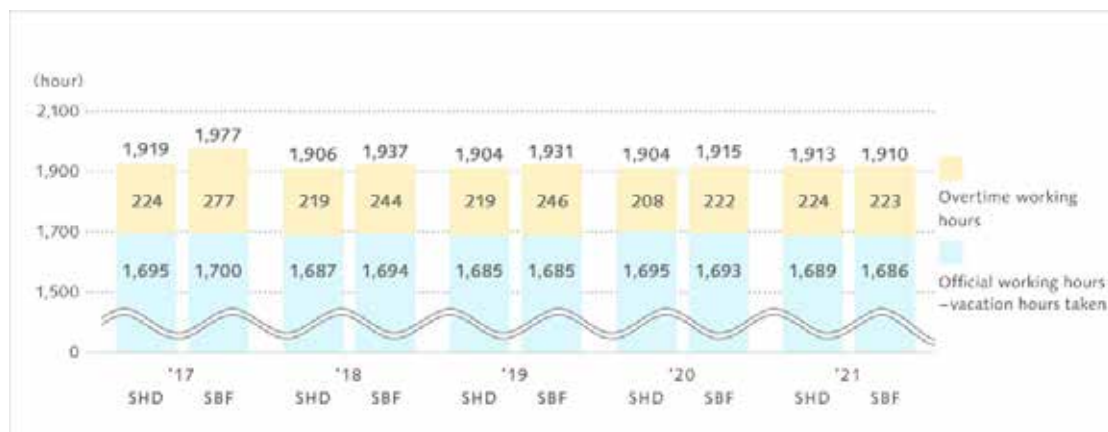
We have set a goal of total working hours of 1,899 hours or less (\*) by curbing long working hours and promoting the acquisition of annual paid leave (in principle, all employees have 16 days or more).

\* The above goal is an average of 39 hours per week (5 days), which is aligned with the ILO standard of 48 hours per week.

### Ensuring Reasonable Working Hours

The Suntory Group works to eliminate excessive working hours and encourage employees to take annual paid leave through cooperation between labor and management, and thoroughly complies with all relevant labor laws, including the laws that govern working hours - through these measures we aim to create a workplace where employees are healthy and work with enthusiasm. We have also implemented a system that can track the number of computer use hours and other information. We support self-management of employees and provide guidance for improvement of working styles as necessary.

#### ■ Total actual annual working hours



\* Official working hours in the standard Suntory Group offices are 7.5 hours a day, 121 vacation days and the annual total official working hours is 1,830 hours.

\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## ■ Annual paid vacations taken



\* SHD: Suntory Holdings Ltd.

\* SBF: Suntory Beverage & Food Ltd.

## Work Style Innovation

The Suntory Group is taking steps to innovate work styles with the objective to generate high productivity, high-quality output, and new value creation as well as to allow diverse employees to work with enthusiasm.

In 2010, we have removed the restriction of time and place in order to achieve flexible working styles and in principle, removed core time in flextime working, expanded the scope and expanded the number of employees who qualify for "teleworking\*" that allows use in 10 minute increments. In addition, we have introduced a discretionary working hours system in our Research & Technology Development Division as an effort to make working styles that are suitable for work. We are promoting work style innovation in each department in accordance with the particular types of work done by adopting flextime in our R&D departments. New work styles utilizing IT, such as the use of smartphones in sales divisions, are making steady inroads.

In addition, we formulated specific action plans in each department. Appointed work-style innovation promotion leaders and managers in every department are working with united as employees, superiors, and administration.

\* Teleworking: Working at home or otherwise outside the office

## ■ Various Activities Facilitating Work Style Innovation

Measure	Description
Promoting of flexible work styles	<p>Promoting the use of flex-time and teleworking programs</p> <p>Roughly 80% employees used the teleworking program</p> <p>Received the Minister of Health, Labour and Welfare's Award for Enterprises that Promote Telework (Shiny Telework Prize) in 2015.</p> <p>The Nikkei Smart Work Award, which recognizes advanced companies that increase productivity through work style reforms and grow sustainably, won the grand prize in 2019 and 2020, and was inducted into the Hall of Fame in 2021.</p>
Promotion of operational efficiency	<p>Promotes the use of high-performance video conferences, teleconferences, tablets, smartphones, portable computers, and RPA</p> <p>Revises policies such as meeting rules and rules to create materials that use the Working Methods Handbook</p> <p>Continually revise operations from the perspective on-site in each department founded in the work-style innovation promotion leader program.</p>

## Shares various information and opinions on the online Walk the Walk “Yatte Minahare” work-style innovation knowledge site

In 2017, the Suntory Group launched the Walk the Walk “Yatte Minahare” portal site online as a place to communicate and share knowledge related to the promotion of work-style innovation as a means to encourage this work-style innovation.



Work-style Innovation Knowledge Site

## Support employees considering work-life balance

We have been working toward expanding our programs that help employees to maintain the balance between work and personal life while being responsive to individual circumstances through the creation of programs providing benefits that exceed what is legally required. We also recognize tackle decrease in number of children social as society in whole and the social responsibility of a company and provide support according to the status of the workplace and needs of the employees.

### ■ Supporting Work as well as Child and Nursing Care with Flexible Work Styles and Programs

The programs have become systems that allow employees to always work enthusiastically even when there are constraints on time and place by leveraging flexible working styles such as flex-time and telecommuting as well as the policies below.

#### Child Care Programs

We have expanded systems to support child birth and child rearing based on The Act for Partial Revision of the Act for Measures to Support the Development of the Next-Generation Children enacted in April 2005. We have implemented child care leave, shortened and staggered working hour programs which can be used during pregnancy and child rearing. Employees can vastly adjust their work style to meet children's active hours such as dropping off and picking up children at nursery schools.

As a result, we acquired the certification mark "Next Generation Development Support Enterprise" from the Ministry of Health, Labour and Welfare in 2008. We started a partially paid child care leave program (Welcome Baby Care Leave) with the purpose of promoting male employees to take child care leave in 2011. The rate of employees taking child care leave in 2021 was 100% for women and 58% for men. Each year the number of men taking child care leave is growing with 174 women and 134 men taking child care leave throughout the year.

Suntory group have taken steps to derive strength from diversity and enrich our workplace through inclusion. Now, we have set up "Paternity Leave" as one of the major pillars of our diversity management promotion. We will strengthen our activities with the goal of achieving this goal by 2024.



## Nursing Care Programs

From April 2011, we have extended the period for systems regarding nursing care (nursing care leave, shortened and staggered working hours and flex-time programs), and clarified the requirements for nursing care leave, eased the requirements for shortened and staggered working hours and flex-time programs in September 2016 to expand the initiatives for nursing. In 2017, we created a nursing care handbook to inform employees about the subject, held nursing care seminars, and invited an outside instructor to speak about topics such as preparations before the start of nursing care.



Next generation development support  
enterprise certification mark\*

\* Next generation development support enterprise certification mark "Kurumin":

A certification mark awarded by the Ministry of Health, Labour and Welfare to a company that provides environment to support workers that bring up children while working, and engages in other initiatives to support all employees, not limited to working parents.

## ■Enhancing Support During Child Rearing

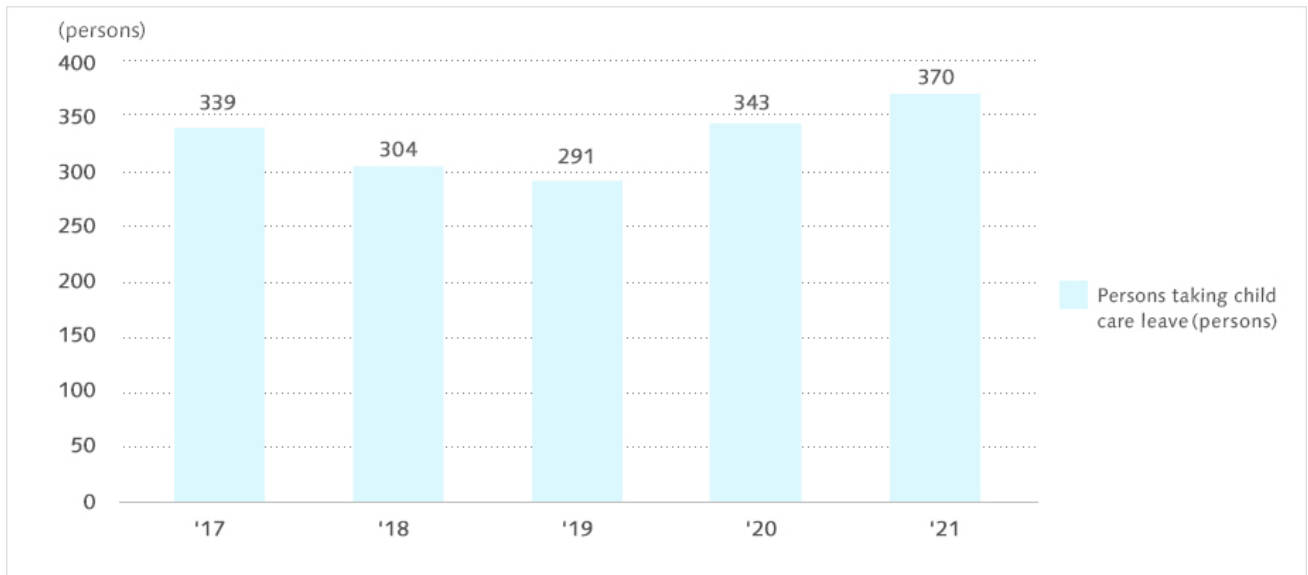
We have established systems to realize support before, during and after child birth such as supporting employees return to work by subsidizing the cost of corporate contract babysitters in 2012 and support in times of illness or emergencies to enhance the support for families during the period they are raising their children. We also support both work and nursing/child care through providing training to managers to raise their awareness and take innovative actions.

Based on suggestions raised by employees who participated in the Child Rearing Project, we have implemented the following measures before taking leave and after returning to work.

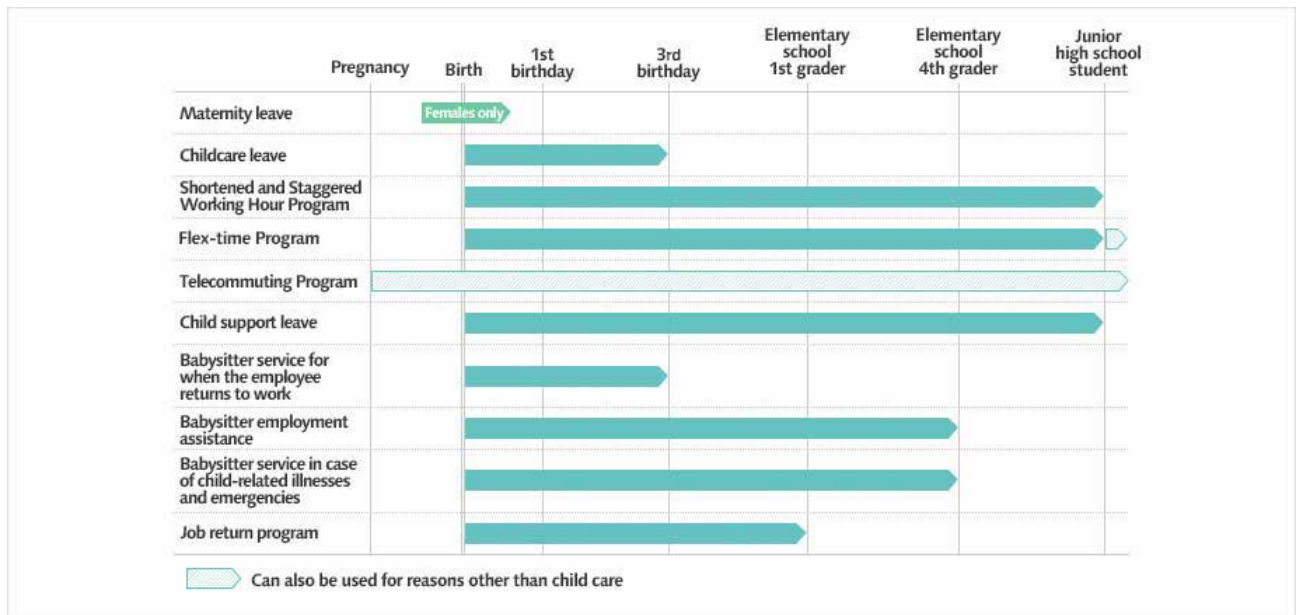
- Before maternity leave: Explanation of the system, providing guidance before maternity leave for all applicants for the main purpose of providing information for a smooth return to work (Men and women who are interested / partners can also participate this guidance)
- During maternity leave: An online newsletter is issued once a month to introduce timely corporate information, relevant examples of employees who have returned to work and other information helpful in returning to work
- Returning to work : The company provides subsidies for a defined period of time for babysitters when entry into daycare facilities is difficult
- After returning to work: Introduction of follow-up seminars after babysitter programs and child care leave during illness and emergencies for the purpose of supporting both after employees return to work while facilitating an early return to a standard workload

These initiatives have been praised overall to earn the Grand Prix in the 2016 ranking of companies with a great balance between work and raising children conducted by Nikkei Dual.

## Results of Employees Taking Child Care Leave



## Overview of policies to support child care (Revised April 2012)



## Overview of policies to support child and nursing care

	Item	Description
Childcare	Maternity leave	As a general rule, six weeks before child birth and eight weeks after child birth
	Childcare leave	As a general rule, can be taken until child reaches three years of age
	Welcome Baby Care	Paid leave for five consecutive days from the day of the start of child care leave (From child birth to reaching a year and half years old)
	Shortened and Staggered Working Hour Program	Until the child enters junior high school Shortened working hours are a maximum of two hours per day and staggered working hours can be set within a set range
	Flex-time Program	Reasons or age of the child are not specified
	Telecommuting Program	Working at home or otherwise outside the office Reasons or age of the child are not specified
	Child support leave	Special leave for any reason related to child rearing (paid leave) Five days per year for every child before entering junior high school. Ten days per year if there are more than two child
	Babysitting service to support employees return to work	If entering nursing schools or a similar facility is difficult, corporate contract babysitters are introduced and its fees are subsidized for a maximum of seven months until the child is able to enter a nursery school, etc.
	Babysitting services for times of child illness or emergency	The company pays for initial and annual membership fee for corporate contract babysitters to make the service more usable during child illness, sudden overtime or business trip and other emergencies. Can be used until the child reaches fourth grade elementary school student.
	Subsidies to use for babysitters	In-house babysitting for infants and drop off and pick up of young elementary school children and children in nursery schools, etc. Amount of the subsidy is 1,700 yen per day
	Infertility treatment support	For specified ART treatment, a leave of up to one year can be taken and monetary support for treatment of up to 300,000 yen is available
Job Return Program	Those that worked for three or more years and registered are candidates for reemployment Until the child being raised (not limited to the child that was the reason for resignation) enters elementary school (maximum of ten years)	
Nursing	Nursing leave	The maximum of three years can be exceeded if the total is within 93 days Benefits are of ¥50,000 per month
	Shortened and Staggered Working Hour Program	Shortened working hours are a maximum of two hours per day and staggered working hours can be set within a set range
	Flex-time Program	No reason is required or restriction on the period of time set
	Telecommuting Program	Working at home or otherwise outside the office No reason is required or restriction on the period of time set
	Special leave	Leave to accompany someone to the hospital, etc. (paid leave) Five days per year for one family member or ten days a year for more than two family members are given for the nursing care obligations
	Home helper employment assistance	Subsidize 70% of the fee for one person per day (maximum of ¥15,000) and maximum of 50 days per year.
	Job Return Program	Those that worked for three or more years and conducted the registration process are candidates for reemployment A maximum length of ten years is provided to resolve nursing care requirements
Vacation	Refresh leave system	Special leave and premium are provided for employees that have worked for 10, 15, 20, 25, 30, 35, 40 and 45 years

## Overview of policies to support nursing care



Change in the number of employees that took advantage of child or nursing care policies

(employees)

		2017	2018	2019	2020	2021	
Child and nursing care	Childcare leave	339	304	291	304	370	
	Shortened and staggered working hour for child care	Male	56	133	111	122	163
		Female	54	171	180	182	207
	Newly taking childcare leave		229	75	74	67	101
	Number of employees returning after childcare leave	Male	155	117	114	127	124
		Female	70	75	75	79	80
	Number of employees that resigned during childcare leave	Male	0	0	0	0	0
		Female	3	0	0	0	4
	Ratio of employees returning after childcare leave	Male	100.0%	100.0%	100.0%	100.0%	100.0%
		Female	95.9%	100.0%	100.0%	100.0%	95.2%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	102	152	135	122	129
		Female	196	169	165	176	173
	Number of employees returning from child care leave	Male	100%	97.44%	100.0%	100.0%	87.2%
		Female	98.5%	92.35%	96.5%	98.0%	88.7%
	Telecommuting program		4,845	5,176	5,674	6,696	6,921
	Shortened and staggered working hour for child care		216	217	178	122	93
Child support leave		583	599	650	555	537	
Babysitting Service		29	34	44	37	50	
Shortened and staggered working hour for nursing care		0	0	2	0	1	
Nursing leave		2	3	2	1	2	
Home helper		2	1	4	3	4	
Vacation	Refresh leave	801	824	886	485	694	

## ■ Supporting Employees Return to Work after Child or Nursing Care Leave

The Suntory Group mandates interviews with direct supervisors before employees take leave or after employees return to work as one part of its support of employees returning to work. A system has also been built to allow internal information to be confirmed at any time by browsing the intranet from a household computer while the employee is on leave. Moreover, measures have been put in place to reduce concerns of employees returning to work that includes sending out information with know-how they can use after returning to work as an email magazine each month for employees taking child care leave.

## ■ Re-employing Employees Who Have Resigned Due to Child Care and Nursing Care

The Suntory Group has introduced the Job Return Program that re-employs employees that have resigned due to pregnancy, child care, nursing care, or a spouse's appointment overseas who wish to return to the workplace. The terms are determined after a defined trial period based on the certifications and salary at the time the employee resigned. 63 employees have registered for the program between when the program was introduced in 2007 and 2020 with ten employees returning to the workplace up to the end of 2020.

### Period of Absence for the Job Return Program

Reason for resignation	Period of absence
Pregnancy, child birth, or child care	Until the child being raised reaches elementary school with a maximum of up to ten years
Nursing	Until the nursing care requirements are resolved with a maximum of up to ten years
Overseas appointment of spouse	Until the spouse returns from their appointment overseas with a maximum of up to ten years

## To Create Harmony with Employees: Diversity Management

# Labor/Management Relations

Labor and Management cooperate to create a comfortable working environment.

### Creating Employee-Friendly Workplaces

The Suntory Group respects and advocates freedom of association and the rights to collective bargaining in accordance with the laws and regulations in each country. We also recognize the importance and support freedom of association and right to collective bargaining even in countries and regions that do not recognize them by law, and promote the resolution of challenges through the cooperation of labor and management. We have various councils that meet regularly to enable labor and management to study and discuss key management challenges we face. These include the Business Conditions Conference, the Finance Reporting Council, and division and topic specific councils. These councils hear statements from the labor union about shop floor conditions and both parties debate Suntory Group's management policies.

We operate and revise our programs involving human resources and labor based on thorough consultations rooted in mutual awareness of the issues. Through these relationships between labor and management we are enhancing subjectivity and transparency of company management while increasing effectiveness of various initiatives. Suntory Group's labor union implement unionship system\*.

\* Unionship system: A system in which all employees are required to be a member

\* 56% of employees subject to collective bargaining.

#### ■ Promotion of Cooperation with Workers Union Through Conferences

We are holding periodic conferences where we determine themes for vital issues common with Workers Union. We have held 21 conferences throughout the year of 2021.



Management Status Conference

#### Main Labor-management Conferences

Name	Frequency	Description
Management status conference	Twice a year	Conference about matters such as company management policies, management status, and business execution status
Quarterly settlement conferences	Four times a year	Sharing information about Group consolidated performance
Departmental conferences	Twice a year (each department)	Conference about issues related to departments such as R&D, production, and sales.
Work-style innovation committee	Three times a year	Conference about status confirmation and improvements of issues during working hours

## ■ Introduction of Recreation Plans in Cooperation with Workers

We are operating recreation plans with the cooperation of workers for the purpose of cultivating unity as the Suntory Group. The soft volleyball competition that started in 2009 has also grown to have participation from Group companies. At the 11th competition held in 2019, roughly 4,600 employees participated alongside their families. In 2022, the event was held in various locations in Japan, with over 10,000 participants. (\*In 2020, 2021, the event was postponed due to the influence of COVID-19.)





## To Create Harmony with Employee: Diversity Management

# Occupational Health and Safety

We promote occupational health and safety based on the belief that a workplace where employees can work with peace of mind is connected to the vibrancy of the company.

## Commitment to Workplace Safety

Safety is one of our criteria for evaluating worksite performance at our plants. Our Health and Safety Committee, which includes employee representatives, plays a central role in the promotion of activities that, based on the discussions with employees, are customized to match the characteristics and circumstances of each worksite. There were 8 occupational accidents in 2021. Lost time injury/illness frequency rate\*<sup>1</sup> was 0.07 (benchmark rate in soft drink and alcohol manufacturing: 1.08\*<sup>3</sup>) while Lost time injury/illness severity rate\*<sup>2</sup> was 0.000 (benchmark rate in soft drink and alcohol manufacturing: 0.01\*<sup>3</sup>). We promptly share information and continually improve the level of our efforts by regularly offering venues for the labor union and the Senior General Manager in charge of occupational health and safety to exchange occupational health and safety information. We will continue working to increase employee awareness and to improve their safety during working hours and commuting with the goal of zero occupational health and safety accidents.

\*1 Frequency rate: (number of deaths and injuries due to occupational accidents) ÷ (total number of work hours) × 1,000,000

\*2 Severity rate: (number of days employees cannot work) ÷ (total number of work hours) × 1,000

\*3 Survey on Industrial Accidents by Ministry of Health, Labor and Welfare

### ■ Number of workplace accidents

(accidents)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of occupational accidents (including paid leave and substitute leave)	3	2	3	4	0	6	1	3	0	3	1
Number of occupational accidents not accompanied by lost work time	10	8	12	13	8	18	12	21	14	13	7
Number of accidents resulting fatality			0	0	0	0	0	0	0	0	0
Total	13	10	15	17	8	24	13	24	14	16	8
Lost time injury/illness frequency rate	0.30	0.20	0.17	0.34	0.00	0.47	0.08	0.23	0.00	0.20	0.07★
Lost time injury/illness severity rate	0.005	0.009	0.002	0.004	0.000	0.003	0.000	0.001	0.000	0.010	0.000

\* Figures through 2012 are only for Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. The figures from 2014 onward include data on workplace accidents involving full-time employees, special contract employees, and part-time employees for the following Suntory Group companies in Japan: Suntory Holdings Ltd., Suntory Beverage & Food Group companies (Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Products Ltd.), Suntory Spirits Ltd., Suntory Wellness Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Business Systems Ltd., Suntory Communications Ltd., and Suntory Global Innovation Center Ltd. Since 2020, Suntory System Technology Limited has been added.

\* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

## ■Achieving Zero Workplace Accidents in Manufacturing

We are working in activities to reach zero workplace accidents as our highest priority based on the belief of prioritizing the health and safety of all people in accordance with the Suntory Group Basic Policy on Safety in Production and Research formulated in February 2010 at the production and research divisions of the Suntory Group. Suntory engages in risk assessment for occupational health and safety by sufficiently reviewing business plans and operational procedures to prevent occupational accidents before they happen in existing and new businesses. We are deepening our activities as a unified Group toward zero workplace accidents while linking all of our partner companies by ceaselessly advancing low-key efforts that improve the safety awareness of each and every person on the ground as well as continue operational-oriented risk reduction efforts in the future.

## ■Building of a Crisis Management System Overseas

The Suntory Group has formulated a crisis management manual to secure the safety of employees dispatched overseas and their families in preparation for state of emergency overseas. We have created a pocket manual for the employees dispatched overseas to carry on their person while establishing reporting routes and countermeasure systems.



## ■Occupational Health and Safety Education

The Suntory Group strives to raise awareness and prevent occupational accidents before they happen by holding regular occupational health and safety education courses. A total of 242 people took part in these education courses in 2015, with a total of 302 people in 2016, a total of 610 in 2017, a total of 722 in 2018, a total of 731 in 2019, a total of 717 in 2021.

To Create Harmony with Employee: Diversity Management

## Suntory Group's Health Management



Suntory Holdings Limited  
Vice President, Member of the Board, Director  
Global Chief Health Officer (GCHO)  
Director, Suntory Health Insurance Society  
Shinichiro Hizuka

### The Health of Each and Every Suntorian Serves as the Source of the *Yatte Minahare* Spirit

What we are aiming for in health management is enriched, fulfilling lives for everyone, including employees and their families. At the core of our health management approach, we want our employees and their families to be able to lead healthy, energetic lives and to work with a sense of challenge to make their lives fulfilling. We are convinced that the promotion of health management based on this concept will lead to further challenges for the Group and is linked with its future.

Suntory is working extensively to improve health checkups and prevent lifestyle-related diseases which can lead to various illnesses as one of its priority areas, and is developing various measures.

Suntory is also working to improve daily support by building a system that allows employees to consult with occupational physicians and nurses, and expanding new consultation services.

With mental and physical health as the foundation, we aim to achieve a state of well-being where employees can mutually enhance their work and private lives in conjunction with work style reform.

## Suntory's Aim for Health Management

In 2014, we issued the "Health Promotion Declaration". Later in 2016, after management appointed a Global Chief Health Officer (GCHO), the new "Health Management Declaration" was set forth.

### ■ Health Management Declaration (Established in 2016)

**Based on the idea that the health of our employees and their families is the source of Suntory's challenge and innovation, we aim to have all employees work in a healthy and motivated state, both physically and mentally.**

#### Basic Policy

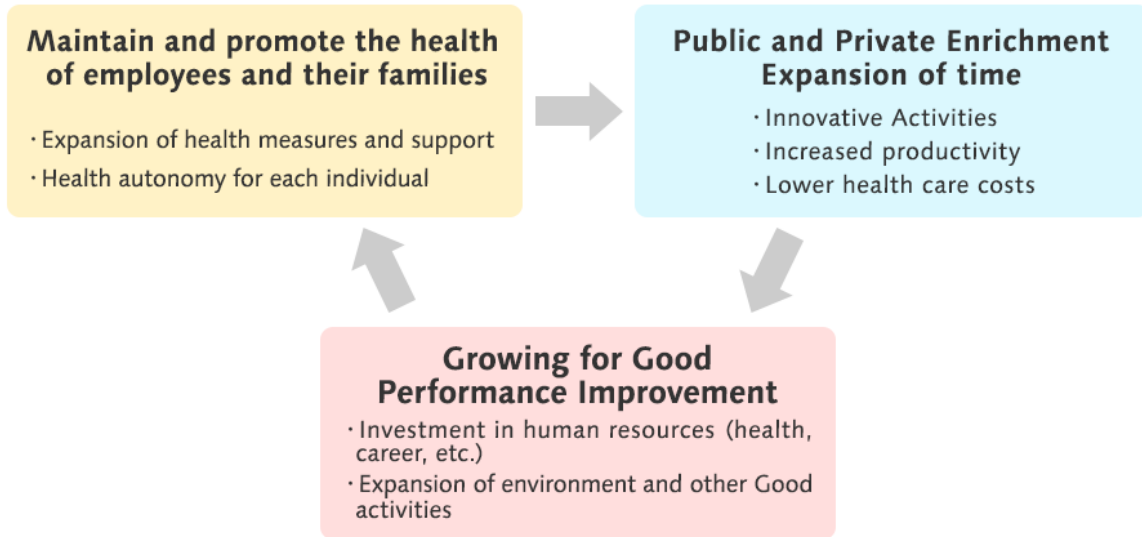
- We will promote the creation of a foundation for employee health by improving the workplace environment and through work style reform.
- We will work to improve health literacy by providing health information and individual support to employees.
- We will work to improve lifestyle habits and promote physical health through prevention, early detection, and support for balancing work and family life.
- We will provide support so that each employee can understand about mental health and take appropriate care.
- Through these efforts, we aim to help our employees and their families realize enriched, fulfilling lives.



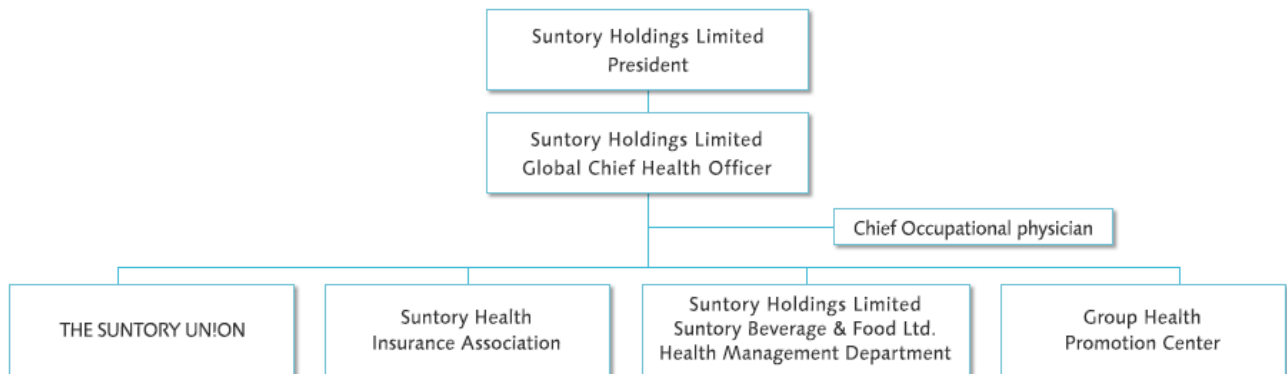
## Significance of Health Management

Working to maintain and improve the health of employees and their families will lead to more time for both personal and professional enrichment.

As a result, business performance improves, allowing for further investment in human resources and in resolving social issues, such as environmental investment. By promoting health management, we will realize our aspiration of Growing for Good.



## Health Promotion System



## Health Consultation Support System

Suntory has introduced a nurse in charge system where nurses are assigned to all business locations to support all employees. The nurse in charge acts as a contact point for employee consultations, while industrial physicians, psychiatrist, clinical psychotherapists, and others work together to provide consultation services and support to allow employees to work while maintaining good health.

In addition to our in-house occupational health staff, we have also set up external consultation services such as the E-Partner Consultation Service, which provides consultation on private family issues, and First Call, an online service that provides medical consultations 24 hours a day, 365 days a year.



<b>Internal Consultation Services</b>	With Nurse	Provides support as a person deeply familiar with each employee through daily contact, including health interviews.
	With Occupational Physician	With the supervising occupational physician taking a central role, occupational physicians provide post-treatment measures for regular health checkups, guidance for various interviews, and support for balancing treatment and work.
	With Psychiatrist	Psychiatrists who are familiar with mental health issues in the workplace work together with occupational physicians and nurses to support employees.
	With Clinical Psychotherapist	Counseling based on psychological knowledge is provided to care for employees who are troubled to help them resolve their problems.
<b>External Consultation Services</b>	EAP	An external consultation service that allows employees to consult with an external counselor about a variety of issues, including personal and family problems.
	Online chat-based consultation service	An online service that allows employees to consult with a doctor via chat or video phone 24 hours a day, 365 days a year.

\* AP (Employees Assistance Program): An employee support program provided by businesses outside the company. In response to consultations from companies, the program provides stress diagnosis, counseling (telephone counseling, e-mail counseling, and face-to-face counseling), medical recommendations, mental health education and training, consultation for human resources and managers, and programs to support an employee's return to work.

## 2025 Mid-term Goals

	FY2021 Results	FY2030 Target
Percentage of people with exercise habits※ 1	28.6%	80%
Percentage of regular eating habits (breakfast intake, early dinner)	50.2%	80%
Percentage of people who can rest on their sleep	81.2%	90%
Percentage of non-smokers	82.7%	95%
Percentage of people who practice DrinkSmart※ 2	64.7%	90%
Result of stress checks Ratio of low-stress	93.0%	95.0%
Presenteeism※ 3	79.2%	90%

\*1 At least one day off per week

\*2 Those that answered "Already working on it" for a question "Do you plan to improve your lifestyle habit such as exercising and daily diet?".

\*3 Work productivity when 100% in the absence of illness or injury\* 4-week average

## Various Measures

As a foundation for all activities, we conduct not only regular health checkups but also health consultations with employees conducted by in-house nurses to support individual health maintenance and encourage participation in measures tailored to each employee's condition.

### ■Work Environment Creation/Health Literacy Training

We are working on health literacy education to foster health awareness among the younger generation and those who are not currently experiencing any health issues. In the monthly Healthma newsletter distributed by our nursing staff, we try to make people feel closer to health by introducing health information and measures. We also strive to provide opportunities for health seminars for the entire company, as well as seminars for each office in line with the issues they face.

We promote health management while firmly connecting that management to work style innovation.

### ■Physical Health - Efforts for improving daily habits

Since daily lifestyle habits such as eating habits, exercise, sleep, alcohol consumption, and smoking are deeply related to the onset and progression of diseases, various measures are implemented to improve and maintain lifestyle habits. In addition to specific health guidance, we also provide guidance comparable to specific health guidance to those under 40 years old who are subject to the same criteria, and are making efforts to raise awareness among the younger generation. At the same time, we are actively recommending that they undergo re-examinations and precision examinations, and are also working to support early detection and balance health and wellness.



## ■Mental Health - Initiatives for Mental Health

We have created two mental health management initiatives for the prevention and early detection of mental health problems: our self-care initiatives which aim to make employees aware of stress and take appropriate measures to counter it, and our line-care initiatives in which managers strive to improve the working environment and provide individual counseling. We are properly engaged in various health care efforts that include self-care in group training, courses in employee care overseen by a line manager, introduction of complete stress checks and counseling through clinical psychologist. We have also put in place a return to work support system for employees on leave to smoothly return to work.

### Examples of Mental Health Care Initiatives

Point	Measure	Content
Self-care	Early detection and prevention through self-check	Self-check during regular check up
		Mental self-check (required for all employees once a year) and follow up for those that need attention
Line care	Raising awareness through lecture on basic knowledge about mental health	<ul style="list-style-type: none"> <li>· Provide information through Mental Health Hand book that summarize basic knowledge</li> <li>· Implement mental health e-learning</li> <li>· Self-care lectures during group training</li> <li>· Line care lecture during new manger training</li> <li>· Regularly stream mini-seminars by in-house counselors</li> </ul>
Care by health staff in the office	Implementing support when returning to work	Implementing a system to support returning to work with doctor specializing in mental health
	Establishing in-house consultation	Consultation by doctor specializing in mental health Consultation by in-house career counselor
Care by resources outside the office	Establishing external consultation	Telephone consultation and interview by external specialized agency



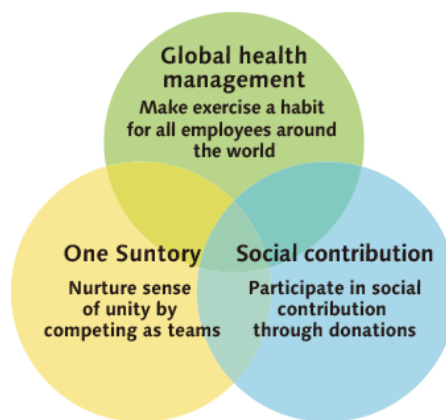
## Global Health Management × Sustainability Walking Event "One Suntory Walk"

### Content of the Policy

One Suntory Walk is a program aimed to raise awareness of health among the participants and make exercise a habit through competing the number of steps they take within a month. The program has been held every year since 2017 targeting all Suntory employees, totaling approximately 40,000. This event is considered to be an event that unite Suntory globally and help promote health management. Engaging in sustainability of water, source of Suntory Group's business activities, at a global scale is put forth as message and core aspect of the event to raise awareness among the employees.



### Three Core Aspects of the Event



### 2021 activity results

One of the participants commented that awareness toward number of steps taken raise during October along with the will to increase them. In addition, walking rallies are held independently at each office at the same time, proving that the exercise is becoming a habit through events. We will continue to hold this event every year with "October is One Suntory Walk month" as the slogan.

- Number of participants: **7,014**
- Steps taken and distances traveled: **10.32 billion steps (786,607km)**
- Participating countries: **34**
- Total donations: **70,140 USD (7,715,400 JPY)**

10USD was donated per participant to MSF Covid-19 Crisis Fund of the Medecins sans Frontieres



Photo posted on the bulletin board by a participant

To Create Harmony with Employees: Diversity Management

## Group global People and Culture initiatives

Suntory Group has been driving great change in People and Culture activities in recent years as the global expansion of its businesses. We are engaged in a wide variety of initiatives at a global level for the purpose of business growth and employee growth as a means to realize Growing for Good.

### ■ Employee Value Proposition - Unleash Your Spirit



We launched our new Suntory global talent brand, “Unleash Your Spirit” as Employee Value Proposition. Unleash Your Spirit captures the essence of our founding spirit and collective ambition to inspire the brilliance of life. Through this talent brand, we define what makes us unique, why our people love to be part of Suntory, and the impact our people can make as we focus on Growing for Good.

We want to help people understand how we are all connected and how our culture and values unite us. Our ambition is to retain and build the career opportunities of people we already have in our family and inspire the best external talent from around the world to join us. As we support Suntorians everywhere to “Unleash Your Spirit” we hope this will help accelerate our ability to make the change we want to see, and we are thrilled to craft our future together with each of you.

You can see our new global career site from here with Suntorians’ stories across our social platforms.

### ■ Diversity, Equity and Inclusion (DEI)

We created the Group Diversity Vision with the launch of a cross-Group project team in 2016 under our view of diversity promotion as a management challenge. Furthermore, we work to promote the active participation of women at Suntory Holdings as an effort to drive the progress of diversity at each company. Since 2018, we conduct lectures for women managers by inviting women executives from Beam Suntory to Japan from America.

- Build networks of women leaders in the Suntory Group
- Learn recent challenges and initiatives of gender diversity directly in business
- Consider development of future female leaders in the Suntory Group

There was active debate about gender diversity through sessions with top management, lectures with guest speakers and group discussions. A variety of activities in the future will accelerate the promotion of diversity globally throughout the Group.

In line with our vision of Growing for Good, Suntory Group is committed to Diversity, Equity and Inclusion (DEI). Although at different stage of evolution, Suntory Group companies have taken steps to derive strength from diversity and enrich our workplace through inclusion. Not only do we commit to recognizing, valuing and respecting diversity and actively promoting and fostering inclusion, we will find ways to ensure equity as we listen to the voices and perspectives of our employees and take action.

In November 2021, we have established our first global DEI vision and strategic pillars. This is our ambition to build an environment where each and every Suntorian to unleash their spirit.

Regardless of our individual uniqueness, we will work together, listen and learn from each other, and be bold at times to create a better future for everyone. We are proud to see the various steps that each business is already taking in their organizations, and will continue to grow as individuals and as an organization.

### ■ Group Talent Review

Suntory has been leading Group wide talent reviews to identify, develop and leverage our people who are able to actively participate in the Group worldwide. The Group talent reviews have been evolved and held not only by group businesses but also by functions and regions across businesses with commitment from top managements at major Group companies, identifying the key talents and positions throughout the Group, including formulating plans for successors in those vital positions, and assessing the person-to-person exchanges across countries and businesses. We are striving to expand the content of these reviews.

### ■ Group global talent framework

We are cultivating the foundation for Suntory Group's talent to play more active roles across countries and businesses. Through these efforts, we are working on group global talent management. For example, we have established unique behavior model for all Suntorians around the world so that they can think and act toward the vision and future targets. We use this behavior model as one of the basis for leveraging our people group-globally. We aim to deliver more excitement and joy to the world through letting all Suntorians demonstrate Suntory's uniqueness.

### ■ Talent rotations across businesses

Supported by group talent review and group global talent framework, We have actively led Talent rotations across businesses with the aim to develop our people and make synergies group-globally such department as finance, people & culture, R&D, SCM, and so on. In the future, we will more actively take initiatives for talent rotations as one of key activities.

### ■ Health management

Suntory group has led an activity called "One Suntory Walk" to promote walking among group-globally since 2017 as one of core activities for healthcare of Suntorians with the sense of unity.

One Suntory Walk not only aims to raise the health awareness of our people and support their health but also to contribute to society through leading initiatives around "water" from sustainability perspective which would be one of competitive advantages of Suntory. For example, we donates to environmental organizations around the world according to the number of steps taken by participants to One Suntory Walk. This event contribute to developing the sense of unity through team competition and social networking to create a sense of unity.

We will continue to promote the importance of health group-globally based on the belief that the physical and mental health of Suntorians and their families is the source of challenge and innovation.

## Sustainability Initiatives

# Corporate Governance

The Suntory Group aims to be a company that delivers value and is trusted and chosen by people and society. To this end, the Suntory Group enhances its efforts to become a company that is “Growing for Good” using as its basis not only the compliance with laws, but the establishment of transparent management and organizational structure. Furthermore, recognizing the importance of promoting management that respects human rights of our stakeholders, we set out human rights activity policy and engage in various related activities.



Corporate Governance



Compliance



Risk Management



Tax Policy



### Corporate Governance

We are striving to enhance our corporate governance to ensure we continue to be a company that is trusted by the society.



### Compliance

We strive to create an organization and a corporate culture that place the highest priority on compliance to fulfill our responsibilities and meet the expectations of the society.



### Risk Management

We strive to strengthen our business foundation by understanding and analyzing the risks to the Group as a whole so that we may continue our business operations and contribute to society.



### Tax Policy

We have established Global Tax Policy to promote tax compliance, ensure tax transparency, and manage tax risks.

Corporate Governance

# Corporate Governance

We are striving to enhance our corporate governance to ensure we continue to be a company that is trusted by our customers and society.

## Suntory Group Corporate Governance

Suntory Group is introducing a pure holding-company system that separates "group management" and "business operations." We maintain our good relationships with all stakeholders including local communities, customers, and business partners, while striving to enhance our corporate governance, so that we may fulfill our social responsibilities as a company.

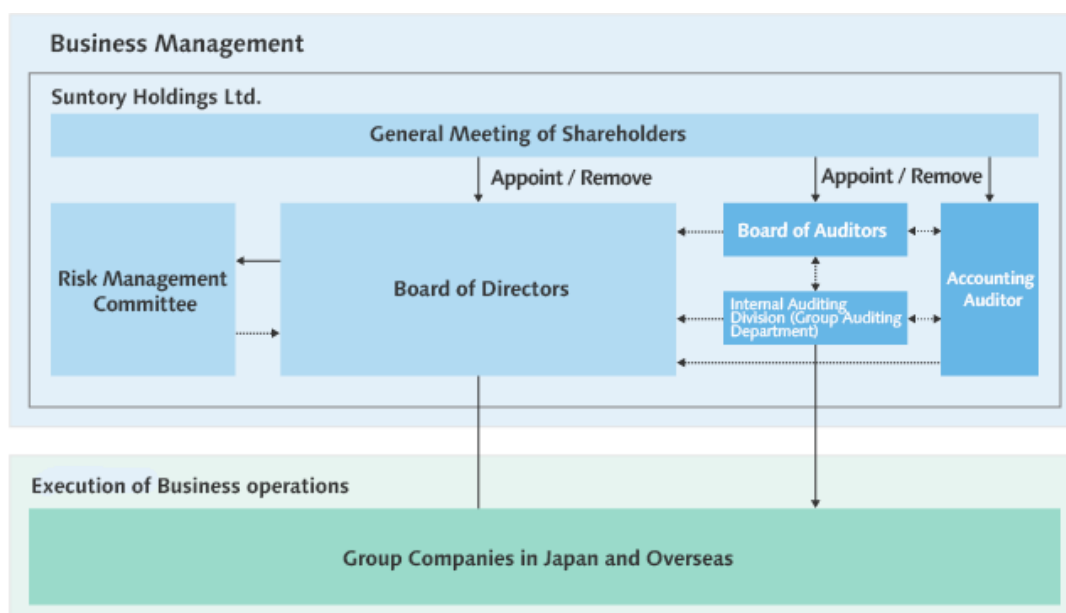
### ■ Boards Responsible for Group Management

Suntory Holdings' Board of Directors is made up of 9 directors, including 1 outside director (as of April 2022). The Board of Directors engages in concrete discussions, debates and makes decisions regarding management issues of the entire Group and also performs an auditing function of the business administration practiced by all Group companies. The adoption of the Executive Officer system helped to separate the business administration decision-making process from the execution of business operations and to make decision-making process more agile.

### ■ The Management Auditing System

Suntory Holdings' Board of Auditors is made up of 4 auditors, including 2 external auditors (as of April 2022). It audits the execution status of business operations as well as the status of the internal control system. Audit & Supervisory Department was established to aid the audits performed by the Board of Auditors. In addition, Suntory Group has established Group Auditing Department that acts as an internal auditing division that audits and inspects the execution status of business operations of all Group companies. The external auditors also audit accounts, verifying the appropriateness and legality of accounts and the internal accounting systems from an objective perspective.

### Corporate governance structure



## Strengthening Internal Control Systems

We are aiming to build a more effective governance structure by strengthening efforts such as compliance, information management, and risk management based on the Basic Policy on Internal Control Systems enacted by Suntory Holdings' Board of Directors.

## Suntory Beverage & Food Ltd.'s Corporate Governance

Suntory Beverage & Food Ltd., which is listed on the Prime Market of the Tokyo Stock Exchange, is an Audit and Supervisory Committee company. This structure was established for the purpose of improving the effectiveness of auditing and supervision through audits by directors who are committee members approved by the Board of Directors in addition to introducing audits that utilize an internal auditing division to facilitate more highly-transparent governance. Three of the nine directors (including directors who are members of the auditing committee) that make up the Board of Directors are external directors (as of April 2022).

Furthermore, Suntory Beverage & Food has also stipulated the ability to appoint directors for some or all decisions necessary for executing operations with approval at the Board of Directors Meeting. This measure realizes management strategy and achieves management indicators set as goals by conducting more comprehensive and practical deliberation such as debate about management strategy, medium- and long-term plans, and management challenges. It is also for the purpose of allowing for faster decision-making while enhancing supervision functions at the Board of Directors Meeting through decision-making based on the management committee and internal rules for executing each operation. We also disclose compliance status of the corporate governance code on our homepage.

## Corporate Governance

# Basic Concepts and Operations for the Internal Control System

The matters determined at the Board of Directors to put in place systems to ensure proper corporate governance in operations are outlined below.

Suntory Holdings Limited (the "Company") hereby establishes the Basic Policy on an Internal Control System outlined below to provide ongoing growth and maximize the corporate value of the entire Suntory Group for the purpose of becoming a global multi-faceted food and beverage company.

## **1. System for Ensuring That the Execution of Duties by Directors, Executive Officers and Employees of the Company, as well as by Directors, Executive Officers, Others with Equivalent Duties and Employees of the Company's Subsidiaries Conform with Laws and Regulations and the Articles of Incorporation**

1. The Suntory Group shall adhere to the basic principles outlined below based on the Suntory Group's Code of Business Ethics. The Company shall respect the rules of civil society and place the utmost importance on an organization and corporate culture that prioritizes compliance with the aim of fulfilling the corporate philosophy of the Suntory Group on the basis of the Group's awareness of itself as a global corporate citizen. Each and every one of the Directors, Executive Officers, and employees shall carry out business activities by making decisions for the organization based on social ethics as a corporate citizen.
2. All Directors, Executive Officers, and employees of the Suntory Group shall have a working mindset to comply with laws and regulations as well as with social ethics in order to put the corporate philosophy mentioned above into action. The Directors and Executive Officers shall take the initiative in complying with laws and regulations, the Articles of Incorporation, and business ethics, and actively make efforts to maintain and improve compliance management.

Principle 3: The Global Risk Management Committee as well as each risk management committee put in place throughout the Suntory Group (the Global Risk Management Committee and each risk management committee at each Group company shall hereinafter be referred to as the "Risk Management Committee") shall promote a compliance system and deliberate priority issues. In addition, each Group company shall put in place a department in charge of compliance to conduct periodic education and training activities as well as establish and promote compliance systems throughout the Suntory Group with the Risk Management Committee at the core to ensure the comprehensiveness of activities.

Principle 4: The Risk Management Committee as well as the departments in charge of compliance shall appropriately report content of deliberations and activities to the Board of Directors and the Board of Auditors.

Principle 5: The Directors, Executive Officers and Auditors of the Suntory Group shall report any compliance issues that are discovered immediately to the Risk Management Committee. In addition, the Company shall put in place compliance hotlines inside and outside of the Company to allow employees of the Suntory Group to directly report on compliance related issues. The Risk Management Committee shall investigate the contents of any report it receives after working to obtain any relevant information, discuss the issue with relevant departments as necessary, take corrective actions, establish measure to prevent any recurrence and put in place systems to implement any measures formulated throughout the entire Group.

Principle 6: Directors and Executive Officers shall be dispatched to subsidiaries as necessary to appropriately execute business, make decisions and perform supervision. In addition, the relevant departments of the Company shall provide advice, guidance and support to the subsidiaries.

Principle 7: The Audit & Supervisory Board or equivalent persons ("Auditors") shall be deployed to subsidiaries as necessary to perform audits. In addition, the Auditing Department shall carry out internal audits of subsidiaries.

Principle 8: The Auditing Department shall carry out internal audits pertaining to the status of compliance and the appropriateness for operations of employees of the Suntory Group, and report the results of the audit to the Representative Director and President.

Principle 9: Internal control systems shall be established and maintained to ensure the appropriateness of financial reporting.

10. Directors and Executive Officers of the Suntory Group shall establish and promote a system to prevent any relations with antisocial forces and clearly reject any improper demands that are made.

## **II. System for the Preservation and Management of Information Concerning the Execution of Duties of Company Directors**

1. Officers in charge of general affairs shall store and manage vital internal documents as well as revise and improve document management rules and other regulations as necessary.

Principle 2: Directors and Executive Officers shall store and manage minutes of the shareholders meetings, minutes of Board of Directors meetings and documents pertinent to important decision-making (including electronic or magnetic records, the same applies hereinafter) as well as other important information related to the execution of duties by Directors and Executive Officers in accordance with laws and regulations as well as internal rules.

3. The documents and other materials mentioned above shall be kept in a condition such that allows for Directors to view them as necessary.

4. The Risk Management Committee shall establish and promote an informational security governance system that does not only protect and preserve information, including personal information, but also increases corporate value by use of information.

## **III. Regulations and Other Systems for Managing Risk of Losses of the Company and Its Subsidiaries**

1. The strategic decision making related to the management of the Suntory Group shall be determined by the Board of Directors.

2. Each Executive Director and Executive Officer shall hold responsibility for addressing risks inherent in business execution. Moreover, material risks shall be analyzed and evaluated, and improvement plans shall be discussed and determined by the Board of Directors.

Principle 3: The Risk Management Committee as well as the Quality Assurance Committee shall comprehensively and collectively manage material risks related to Group management such as risks incidental to the execution of business and quality risks throughout the entire Group. In addition, regulations and guidelines pertaining to management of such risks shall be established, and training activities thereof shall be implemented as necessary.

Principle 4: The Board of Directors shall promptly select Directors or Executive Officers who will hold responsibility for addressing newly emerging material risks related to Group management to determine a course of action to address such risks.



#### **IV. System for Ensuring that Directors of the Company and Directors and Executive Officers of the Company's Subsidiaries as well as Others with Equivalent Duties Execute Their Duties Efficiently**

1. The Company shall determine Company-wide goals shared by the Directors, Executive Officers, and employees of the Suntory Group, and Directors and Executive Officers in charge shall specify efficient methods for achieving such goals, such as specific targets and appropriate allocation of authority aimed at achieving the Company-wide goals.

Principle 2: Directors and Executive Officers in charge shall confirm progress made in achieving goals and report the specific measures to achieve the goals to the Board of Directors and the Management Committee.

3. Each Director and Executive Officer shall be in charge of appropriately executing business operations and shall strive to make decisions efficiently under the Responsibility and Authority Rules.

#### **V. System for Reporting to the Company Matters Related to the Execution of Duties by Directors and Executive Officers of the Company's Subsidiaries**

1. The status of the business execution of Directors and Executive Officers at subsidiaries shall be regularly reported to the Board of Directors and the Management Committee.

Principle 2: Directors and Executive Officers in charge of subsidiaries shall request reports on the status of business execution from the Directors and Executive Officers of the subsidiaries as necessary.

3. Certain matters concerning management of subsidiaries must be consulted with and reported to the relevant departments, or otherwise must receive approval from the Board of Directors of the Company under the Responsibility and Authority Rules.

4. The Auditing Department shall report the internal audits results of subsidiaries to the Representative Director and President as necessary.

#### **VI. Other Systems for Ensuring the Appropriateness of Business of the Group Consisting of the Company, Its Parent Company and Its Subsidiaries**

Dealings between Group companies, including the parent company and public subsidiaries, shall ensure appropriateness in matters such as conducting business and deciding on business matters to provide objective and rational content.

#### **VII. Matters Regarding Auditors of the Company and Employees Who Are Requested to Assist in their Duties, Matters Regarding the Independence of Such Employees from Directors and Executive Officers, and Matters Related to Ensuring the Effectiveness of Instructions Given to Such Employees**

The Company shall place employees to assist the duties of auditors after deliberation if necessary for the Audit & Supervisory Board.

In addition, the Company shall respect and execute directions of the Board of Auditors such as the transfer and evaluation of such employees, and ensure the independence of such employees from Directors and Executive Officers.

Moreover, such employees shall follow the instructions and directives from the Audit & Supervisory Board when assisting in the duties of auditors.

**VIII. Systems for Directors, Executive Directors and Employees of the Company and Directors, Executive Directors, Audit & Supervisory Board Members, Others with Equivalent Duties and Employees of the Company's Subsidiaries or Other Persons Who Receive Reports from Such Persons to the Company's Audit and Supervisory Committee and Other Systems Related to Reporting to the Audit and Supervisory Committee**

1. Audit & Supervisory Board Members shall attend Board of Directors meetings, and the Representative Director and President as well as the Directors and Executive Officers in charge shall provide reports of business execution that they are in charge as necessary.
2. Directors, Executive Officers and Employees of the Suntory Group shall promptly and clearly respond to inquiries about operations and assets when requested by auditors to report on businesses.
3. The Auditing Department of the Suntory Group shall regularly hold liaison conferences between Directors and the Board of Auditors of the Company to report the current status of matters such as internal audits.
4. The departments in charge of internal reporting systems shall report the status of internal reports to Auditors and the Board of Auditors of the Company as necessary.

**IX. System for Ensuring the Person Who Has Reported to the Company's Audit & Supervisory Board Are Not Treated Adversely Based on the Fact Such a Report has Been Made by the Person**

The Directors, Executive Officers and employees of the Suntory Group shall prohibit any adverse treatment based on a report to the Audit & Supervisory Board through a department in charge of compliance or another reporting system.

**X. Systems for Ensuring Advance Payment or Reimbursement of Expenses Arising in Conjunction with the Execution of Duties by Audit & Supervisory Board Members of the Company and Other Policies for Processing Expenses and Obligations Arising with Respect to Execution of Such Duties, and Other Systems for Ensuring That the Audit & Supervisory Board Effectively Performs Audits**

1. If the Audit & Supervisory Board, in conjunction with the execution of its duties, asks the Company for advance payment, etc. of expenses under Article 388 of the Companies Act, the Company shall promptly process such expenses or obligations, unless they are not necessary for the Audit & Supervisory Board Members to execute their duties.
2. The Audit & Supervisory Board shall strive to communicate and exchange information with the Audit & Supervisory Board of Company subsidiaries or the Auditing Department.
3. The Board of Auditors shall put in place opportunities to exchange opinions with the Representative Director and President as well as accounting auditors.

## Overview of the Operational Status of Internal Control Systems

Given the Company aim of being a “global food and alcoholic beverage company,” we are well-aware of the importance to that end of maintaining and operating internal control system encompassing Group-wide risk management and compliance, in order to further ensure ongoing growth and maximize the corporate value of the entire Suntory Group. The following is a summary regarding the operational status of the Company’s internal control system for the fiscal year under review.

### 1) Operational status of the risk management system

- The Global Risk Management Committee and the various risk management committees within the Suntory Group have been holding meetings on a regular basis, and have accordingly been identifying risks facing the Suntory Group, formulating measures for addressing such risks, and checking on progress made with respect to taking action in that regard.
- Details regarding activities carried out by the Global Risk Management Committee have been reported to the Board of Directors.
- With respect to quality risks, the Quality Control Committee has been holding meetings on a regular basis, and has accordingly been identifying issues involving matters of quality control pertaining to the Suntory Group, formulating measures for addressing such concerns, and checking on progress made with respect to taking action in that regard.
- To ensure information security, we have been implementing information management education and awareness activities, and have otherwise been taking steps geared toward discouraging unsuitable means of information management and preventing leakages of confidential information.

### 2) Status of initiatives related to compliance

- We have established the Suntory Group’s internal and external compliance hotlines, including our Group companies overseas, and make the hotlines’ availability known to our employees by means that include providing details via our intranet and on posters. When it comes to reports and consultations regarding incidents, the relevant departments have been taking responsibility to investigate the facts at hand, and then accordingly taking corrective measures and implementing measures to prevent recurrence, as necessary. Moreover, our “Rules on the Suntory Group’s Whistleblowing System” prohibit adverse treatment of whistleblowers for having reported incidents or for otherwise having sought consultation in that regard, and we are implementing these rules. Suntory Holdings has been awarded certification to recognize its whistleblowing system (system for self-declaration of conformance), which was introduced by the Consumer Affairs Agency.
- Our Compliance Department has been playing a central role in efforts geared toward further heightening awareness of compliance practices, through initiatives that include carrying out surveys of employees and others to gauge their awareness of matters such as compliance issues and the corporate culture, and then providing feedback on survey results. In addition, as part of activities to promote awareness of anti-bribery efforts, all employees of group companies undertake compliance training including anti-bribery issues.

### 3) Status of Initiatives to Improve the Efficiency of Business Execution

- The Board of Directors has been holding meetings on a regular basis where they engaged in tasks that included formulating the Mid-Term Plan, drafting budgets, and making managerial decisions involving mergers and acquisitions, capital investment and other such matters.
- At their meetings, the Board of Directors was provided with reports on the Suntory Group’s business performance, and accordingly verified and discussed matters such as progress made in achieving the Suntory Group’s business objectives, its management challenges, along with measures in that regard.

#### **4) Status of audits by the Audit & Supervisory Board Members**

- Audit & Supervisory Board Members have been attending important meetings of the Board of Directors, Risk Management Committee and other such bodies, through which they have been able to obtain reports on business execution provided by Directors, Executive Officers and others.
- The internal audit divisions have been regularly providing reports to Audit & Supervisory Board Members regarding the current status of internal audits and other such matters, and the Audit & Supervisory Board members and internal audit divisions carry out joint audits as necessary.
- Audit & Supervisory Board Members have been communicating and exchanging information with Audit & Supervisory Board Members of subsidiaries of the Company, or internal audit divisions of the Company.
- Audit & Supervisory Board Members has been providing opportunities for the exchange of opinions with the Representative Director and President, Outside Directors and the Accounting Auditor.

#### **5) Operational status of internal audits**

The internal audit divisions have been conducting internal audits of the Company's respective divisions as well as its subsidiaries in Japan and overseas on the basis of audit plans. In so doing, the internal audit divisions have been providing directives or otherwise making recommendations geared toward enabling those entities to make improvements when necessary, and have also been reporting results of the internal audits, as needed, to the Representative Director and President.

## Corporate Governance Compliance

We strive to create an organization and a corporate culture that place the highest priority on compliance to fulfill our responsibilities and meet the expectations of our customers and society.

### Compliance Promotion System

#### ■Suntory Group's Code of Business Ethics: values shared by all employees for the realization of the corporate philosophy

We are building a compliance promotion system to realize our corporate philosophy from a cross-Group view based on the Suntory Group's Code of Business Ethics established in 2003 that enables all employees to take action according to common rules. We also revised the content by referring to the ISO26000 international standard for social responsibility in 2012 and, adapted the content in 2017 for all Group employees around the world to better understand it.

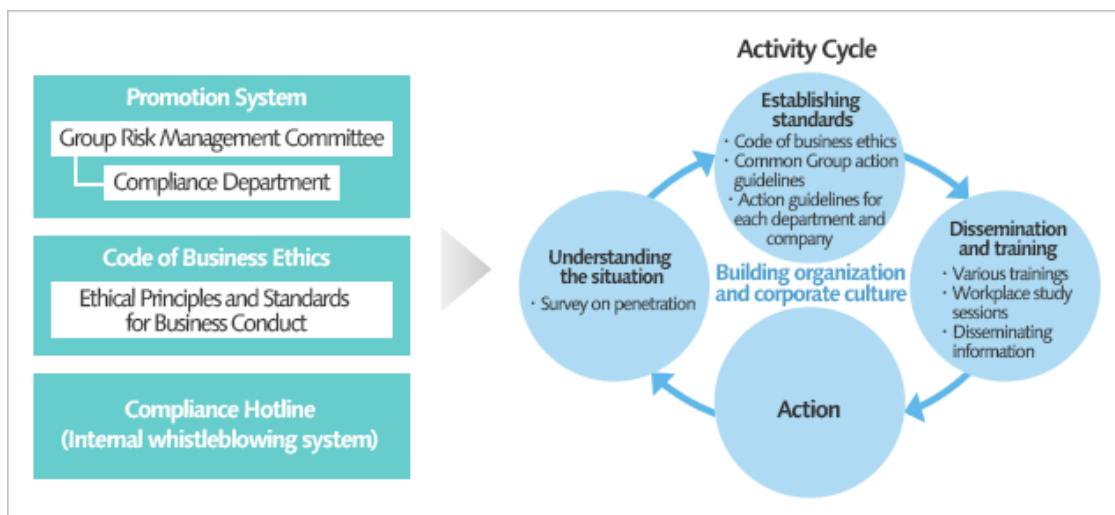
#### ■Promotion System Rooted in the Frontlines

To promote compliance from a cross-Group perspective, the Compliance Department was established under the Risk Management Division to specifically promote compliance.

The Compliance Department formulates and implements specific measures in line with Risk Management Division policies, monitors the status of implementation at each workplace, and provides suggestions and advice on issues. It also established a Compliance Hotline (internal reporting system) and is responding fairly, impartially, and in good faith. We have revised some of the rules for the internal reporting system to operate more effectively under this system following revisions to the Guidelines for Business Operators Regarding the Establishment, Maintenance and Operation of Internal Reporting Systems Based on the Whistleblower Protection Act. As a result of such efforts, the Suntory Group Compliance Hotline (in Japan) was registered for the first time in the Japanese liquor industry in the "Internal Reporting System Certification" established by the Consumer Affairs Agency in January 2020.

In addition, specific personnel responsible for promoting compliance are assigned at each Group company, both within Japan and abroad. They take an active role in promoting compliance, formulating policy customized for the circumstances in their own company, and informing colleagues about that policy.

### Compliance Promotion Structure



## ■Enhancing the Hotline for Early Discovery and Resolution of Problems

The basic rule in Suntory is that when an employee discovers actions that breach the Suntory Group's Code of Business Ethics, he or she must first report it to the supervisors and seek their advice.

However, we have also established a Compliance Hotline both internally (our Compliance Office) and externally (3rd party law firm) as contact point for all of the Group companies in Japan in order to quickly discover and resolve compliance issues when reporting or consulting with a supervisor is not appropriate.

Both mechanisms are available in multiple languages so that foreign employees who do not speak Japanese fluently can access.



Compliance Hotline awareness poster

We have also implemented a global contact point for compliance issues encompassing all Group companies in Japan and globally as part of our global risk management system.

This contact point supports multiple languages such as English, Chinese, and Spanish, and accepts reports and consultations from multiple countries. Additionally, in order to avoid accessibility issues due to technical or financial reasons, we have made this mechanism accessible to all employees through different methods (digital and analog), including web, smartphones, telephone, and mail.

The internal awareness of this mechanism is measured every year through initiatives such as the "Employee Awareness Survey" as a way to engage users and assess the current mechanism, and the current awareness rate is over 90%. We also strive to keep improving the awareness rate and accessibility of this mechanism by sharing these results (including comparisons with previous year) with our top management.

In 2021, a total of 181 reports were received through these contact points in Japan and overseas (89 reports were received by Suntory Beverage & Food Group). Roughly 60% of the reports received in Japan were about labor, personnel and management issues, including human rights related issues.

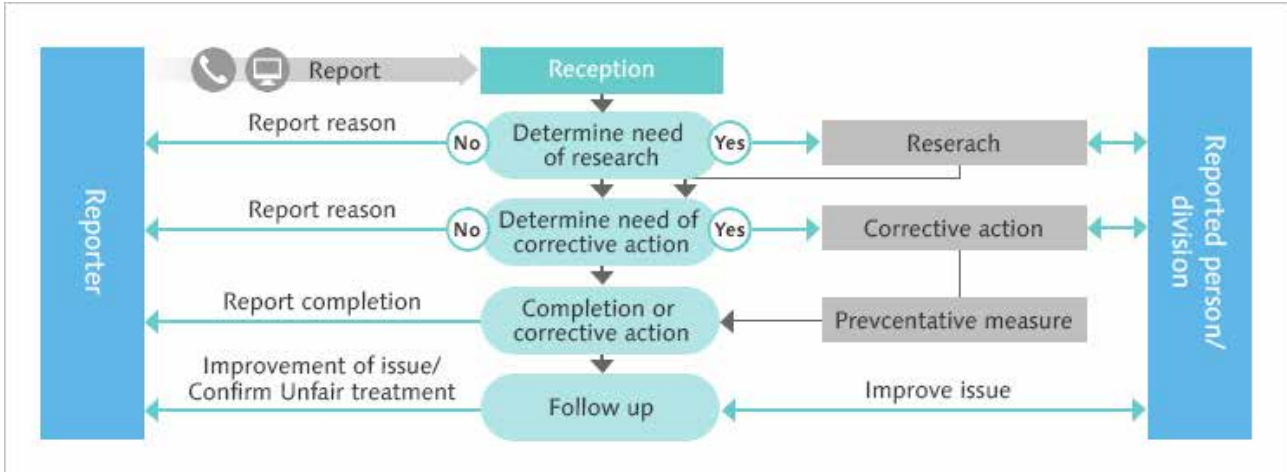
If there is a suspicion of non-compliance based on the content of the report, we take into consideration the privacy protection of all persons involved in accordance with the Suntory Group Internal Reporting System Regulations. In that case, the compliance officer promptly conducts a confidential investigation within the company, and promptly requests correction while escalating to the relevant executive in charge, so that measures can be taken as soon as possible in order to avoid any negative impact to the reporter. The results of the survey are shared to the reporter and management, respectively, to promote corrective measures and prevent recurrence. After a certain period of time has passed after the response, we close the case once we receive a report on the state of change from senior management as a follow-up.

Furthermore, regarding measures against harassment, which is a priority issue, in many cases there is a difference in values with colleagues and related parties, so we aim to create a culture where both sides can recognize the difference by providing an opportunity to learn about "unconscious bias," and in this respect we are holding seminars to promote a more tolerant organization.

## ■ Protecting the reporters

Based on our internal regulations, the Suntory Group prohibits any type of negative impact such as retaliation or spread of rumors and does not force confidentiality on the reporters. In order to achieve this, when the Compliance Office conducts an investigation it identifies the persons concerned and then confirms the "internal reporting system regulations", protecting thus the rights of the reporter. In addition, during the interviews with the reporter on the closing of each case, we also check that reporters have not suffered any disadvantages during the process. Furthermore, we are working to create a culture in which compliance reports are protected not only by the persons concerned but also by the entire workplace by proactively disseminating the "internal reporting system regulations" within the company on a daily basis.

## Compliance Hotline Response Flow



## Activities to ensure compliance

### ■ Communicating the Code of Business Ethics throughout the Group

To facilitate the understanding of the Suntory Group Philosophy and Code of Business Ethics and put them in practice, we distribute a pamphlet to all Suntory Group officers and employees. This pamphlet translated into 11 languages. At the start of each year, employees of the Group companies in Japan refreshes their understanding of the Code, and then signs a compliance statement at the end of the pamphlet. At the same time, workplace discussions regarding various compliance related cases that occur in the society, subjects that are recognized as issues in the Group and individual companies, and other topics are held to remind the fundamentals of compliance and promote ethical behavior. In employee awareness surveys conducted for Suntory Group employees in Japan, we were able to verify our businesses and offices run in accordance with Suntory Group's Code of Business Ethics as well as confirm the status of compliance practices. Suntory strives to discover any potential compliance breaches by reporting the results of these surveys to management while regularly ensuring the effectiveness of Suntory Group's Code of Business Ethics and taking advantage of these results in efforts that include education for employees and the formulation of activity plans.

### ■ Activities to Raise Compliance Awareness through Communication

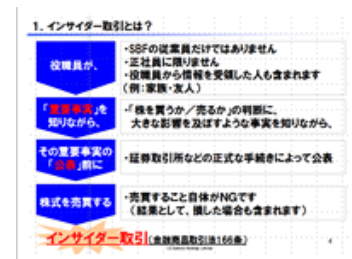
We put out periodic information on the Compliance Net internal intranet to promote and practice true compliance. We distribute information on the Compliance Net that includes activities and themes linked to activities which are being undertaken as well as information to understand the true nature of compliance with examples found throughout the world. We raise the awareness of every employee through the activities of compliance promotion managers in each company. In addition, we publish information that promotes the basic knowledge of compliance, harassment checks, and a collection of materials for self-study in order to make learning accessible at any time on the Compliance Net.

## ■Supporting Promotion Activities at Group Companies

Each Group company is engaged in activities around compliance promotion managers. The Compliance Department provides suggestions and tools tailored to the challenges of each company, implements group training and offers other measures of support. In addition, we have introduced research to more deeply recognize our role as the driving force of compliance management for directors and managers who are newly appointed at Group companies in Japan.

## ■Insider Trading Prevention Systems: Implementation and Communication

The Risk Management Department of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. and the management headquarters of Suntory Beverage & Food Ltd. are working to comprehensively prevent insider trading by introducing e-learning based on the content provided by the Tokyo Stock Exchange, as Suntory Beverage & Food Ltd. is listed on the Tokyo Stock Exchange.



Awareness materials

## Implementing the Suntory Group's Code of Business Ethics in Business Activities

We have clarified our emphasis on compliance in the Code of Business Ethics. Each department has set and is operating policies and voluntary standards for challenges related to various compliance in their business activities based on the concepts of the Code of Business Ethics.

## ■Ensuring Fair Business Practices

The Suntory Group conducts business fairly, holding integrity as a prerequisite, and abides by all laws and regulations, including the Antimonopoly Act. We have revised and are running operations under policies in-line with legal revisions and environmental changes since the formulation of the Guideline for Compliance of the Antimonopoly Act in 1992. Further compliance is being ensured through the posting of our Key Points for the Promotion Campaigns under the Act Against Unjustifiable Premiums and Misleading Representations and our Compliance Manual for the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, to Subcontractors to the intranet.

We spread the word about the Antimonopoly Act and related legislation through the implementation of regular seminars in each division and Group company, and ensure fairness in our daily transactions with business partners and customers. We actively engage with various departments to ensure that compliance policies and activities are implemented in all stages starting from product development, sales and marketing planning.

## ■Establishing Committees to Promote Fair Business for Alcoholic Beverages

A Fair Trade Promotion Committee was established to promote fair business practices at Suntory Liquors Ltd., the Suntory Group company responsible for the sale of alcoholic beverages. This was done in keeping with the Fair Practice Guidelines for the Liquor Business\* and to maintain compliance with laws and regulations specific to alcoholic beverages as well as internal proprietary standards.

\* The Fair Practice Guidelines for the Liquor Business are administrative guidelines established by the National Tax Agency in 2006. These guidelines prevent worsening of management of liquor business operators and the reduction of liquor taxes due to dumping caused by excessive competition. We set fair partnership conditions and make rebates more transparent to stabilize management of liquor business operators. This is also coordinated by Fair Business Committee responsible for overseeing the Antimonopoly Act.



## ■ Transparency of Business Activities and Prevention of Bribery

The Suntory Group's Code of Conduct prohibits the provision of excessive business entertainment and gift-giving to any counterpart regardless of whether it is a corporate entity, individual, political or governmental entity, or any other related organization or company, and establishes that relationships with all parties should comply with laws and be fair and transparent.

We also regularly provide training opportunities such as e-learning for employees who may be involved in corruption.

## ■ Global Compliance Initiatives

We work to build a global compliance promotion system and integrate global standards due to the global expansion of the Suntory Group. In 2015, we formulated the guidelines on business entertainment and gift-giving that are aligned with global standards, and we provide seminars and e-learning courses on the prevention of bribery and all types of corruption comprehensively to raise the awareness of employees on corruption issues as our response to global enhancement of anti-corruption regulations, such as the Foreign Corrupt Practices Act (FCPA). We have formulated a global Anti-Bribery Policy in 2016, which includes new provisions on donations and political contributions in addition to entertainment and bribery. In 2019, we conducted e-learning for all employees in Japan to reconfirm the guidelines, and obtained a pledge to comply with the guidelines. And regarding overseas, we prepared and trained countermeasures such as anti-bribery and cyber security to foster a unique local compliance mindset, especially for managers in Shanghai, China, which have many state-owned enterprises, and bribery to the private sector can be subject to punishment.

Furthermore from April 2016, we have established global hotline contact points to handle reports on bribery and all types of corruption comprehensively, as well as human rights violations and other compliance breaches. These contact points are available at all overseas Group companies as part of our global compliance system. There were no reports through the global hotline in 2021. Moreover, there were no reports on child or forced labor.



Compliance seminar in China

## Employee Awareness Survey to Understand the Awareness Towards Compliance and the Organizational Culture

To understand the status of compliance and the organizational culture as well as to determine if there are any individual issues, we conduct awareness surveys for all Group employees in Japan. We investigate initiatives to promote awareness of compliance through the entire Group by understanding the challenges in each company and each department from these results. We share the discovered challenges with directors and managers at each company, and expect that related departments in these companies will take voluntary actions to resolve these challenges.

Overseas Group companies contribute to compliance management by conducting their own independent surveys.

Compliance

# The Suntory Group's Code of Business Ethics

## Introduction

The Suntory Group Code of Business Ethics is our foundation for building trust and defines the basic stance that we must all value.

The implementation of the Suntory Group Code of Business Ethics is based on the concept of “compliance”.

At Suntory Group “compliance” means “Comply with Another’s Wish”, in other words, not only do we obey the law, but also demonstrate even higher ethical standards as we strive for best practices that meet or even exceed the expectations of our consumers, customers, suppliers, business partners, communities, global society, natural environment, employees, and other stakeholders.

Even in an era of constant change, we, as members of the Suntory Group in pursuit of “Growing for Good,” earnestly engage with our various stakeholders, accept the diversity of people’s values, and conduct business with the utmost fairness and integrity.

We believe these behaviors enable the Suntory Group to remain genuinely trusted, chosen and valued by people and society.

## 1. Focusing on customers and consumers

We make our best efforts to ensure integrity and transparency in all interactions with customers and consumers, and we provide safe, reliable and high-quality products and services, aiming to contribute to their happiness.

### 1.1 Products and services

We make sincere efforts to deliver value that meets or even exceeds expectations of customers and consumers in all areas of our corporate activities including research and development, procurement, production, and sales.

### 1.2 Information and responsible marketing

We strive to provide accurate and timely information, including with respect to the reliability and safety features of our products, that helps our customers and consumers make informed decisions. We ensure that our product labels, advertisements, and commercial messages are clear, accurate and not misleading. Furthermore, as a corporate group that engages in a wide variety of businesses, we are committed to the responsible marketing of all our products and services.

### 1.3 Interactive communication

We strive to increase the satisfaction and trust of our customers and consumers by creating ample opportunities for interactive communication, and by reflecting their diverse views in our corporate activities.

## 2. Conducting business with integrity and fairness

We conduct all business activities in a fair and transparent manner, in accordance with the law and the highest ethical standards.

### 2.1 Compliance with the law, respect for standards and culture

We abide by applicable laws and regulations, respect international standards, and ensure that our corporate activities are fair, transparent, and show respect for the cultures, customs, traditions, and religions in all countries where we conduct business.

### 2.2 Fair competition

We prohibit the pursuit of profit by unfair or illegal means, in relations with business partners and competitors or otherwise, and commit to conducting business activities based on free and fair competition.

### 2.3 Corruption

We do not tolerate any form of bribery, money laundering, embezzlement or other illicit or corrupt practices in our own operations or with any person or organization. We maintain transparent and arms-length relationships with our business partners, government officials, and all other parties. In the areas of gifts, entertainment, charitable donations, and political contributions we strictly adhere to all applicable laws, regulations, standards and internal rules regarding prevention of bribery and corruption, as well as sound business practices.

### 2.4 Conflicts of interest

A potential conflict of interest arises in any situation where personal interests of an employee, an employee's relative or any other third party may conflict or interfere with the interests of the Suntory Group. We must disclose to the company any potential conflict of interest as soon as possible so that it can be appropriately considered and avoided. Furthermore, we must ensure that all decisions related to the selection of business partners, recruitment and other matters are transparent and based on rational and fair judgment.

### 2.5 Organized crime groups and trade controls

We do not have any relationships with organizations involved in illegal activities, and firmly stand against such organizations. Furthermore, we comply with applicable laws and regulations that control export and import, as well as trade restrictions that prohibit or limit trading with certain countries and organizations.

### 2.6 Financial and business records

We are committed to maintaining and disclosing financial and business records that accurately and properly reflect the true state of the business, in accordance with applicable laws and regulations as well as internal rules. We also ensure that all tax obligations are properly satisfied on the basis of such records.

## 3. Contributing to society

As a good corporate citizen, the Suntory Group strives to make positive contribution to society.

### 3.1 Local community contribution

We strive to engage with communities where we conduct business, and contribute to the solution of local problems, as well as the achievement of prosperous lifestyles.

### 3.2 Various cultural and social contribution activities

We strive to engage in various activities including the promotion of culture, arts, and sports. Furthermore, we are pleased to support individuals and groups who pursue such activities.

### 3.3 Support for employee activities

We actively support the participation of employees in volunteering and other social contribution activities.

## 4. Conserving the environment

We strive to conserve the global environment and ensure that a sustainable society rich in biodiversity and harmonious with nature is preserved for future generations.

### 4.1 Water sustainability

Water — is the source of all life forms and the key element of our business. We make continuous efforts to conserve the watersheds in order to contribute to water sustainability.

### 4.2 Reduction of environmental impact

We strive to reduce our environmental impact throughout the value chain, including in product development, manufacturing, distribution, and sales.

### 4.3 Continuous improvement of environmental performance

We are committed to continuous improvement of our environmental performance, delivered by proactive use of green technologies and efficiency upgrades, based on a robust Environmental Management System (EMS).

## 5. Respecting diversity and human rights, creating a positive work environment

We respect human rights and diversity, and endeavor to create a work environment where employees feel engaged and motivated.

### 5.1 Child labor and forced labor

We strictly prohibit the use of child labor, forced or involuntary labor or other illegal labor practices in any of our activities.

### 5.2 Discrimination and harassment

We provide a workplace where all employees are treated fairly, human rights and individual values are respected, and discrimination or harassment based on any grounds such as race, religion, gender, age, nationality, language or disability is not tolerated. All instances of human rights violation must be immediately addressed in appropriate manner and prevented from reoccurring, while due attention should be paid to safeguarding the privacy of all those affected.

### 5.3 Freedom of association

We respect employees' basic rights to freedom of association and collective bargaining.

### 5.4 Positive work environment

We create healthy, safe, and positive workplaces, and promote working styles that offer work-life balance.

### 5.5 Open and inclusive work culture

We cultivate an open-minded and inclusive workplace, where everyone's beliefs and values are respected, and where employees with diverse backgrounds are able to act and express themselves freely. Furthermore, we build harmonious relationships filled with a sense of unity, through effective communication across the Suntory Group.

### 5.6 Challenge and growth

We enable personal growth of our employees by encouraging them to set and achieve challenging goals with a feeling of pride and sense of responsibility towards their work.

## 6. Managing and utilizing information and corporate assets

We endeavor to appropriately protect, manage and utilize corporate assets and information, and respect the rights of third parties.

### 6.1 Corporate assets

We properly manage our corporate assets, whether tangible or intangible, in accordance with internal rules, and ensure that such assets are used only for our business operations.

### 6.2 Confidential information

We carefully manage the company's confidential information to ensure that it is not leaked or otherwise disclosed to any third party. Furthermore, we must not use information we learn through our work for the company or otherwise for unfair or illicit purposes, including insider trading.

### 6.3 Personal information

We obtain personal information or confidential information of our customers, consumers and business partners by proper means and use such information only for legitimate purposes. We also manage this information properly and in accordance with applicable laws and regulations as well as internal rules.

### 6.4 Intellectual properties

We protect our intellectual properties appropriately and we grant licenses to third parties in accordance with applicable laws and regulations as well as internal rules. We also fully respect the intellectual property rights of third parties and do not infringe or misappropriate them.

### 6.5 External communications

We understand that, as members of the Suntory Group, all public statements and the information we share in different circumstances can affect the reputation and business of the company and the Group. We remain constantly aware of this fact and ensure responsible conduct at all times in such public or external communications.

## Administration and Implementation of this Code

### Scope of application

- (1) The Suntory Group Code of Business Ethics (the “Code”) applies to all directors, officers, employees of Suntory Holdings Limited and its group companies (Suntory Holdings Limited and its group companies are hereinafter collectively referred to as “Suntory Group” , and individually a “Group Company”).
- (2) The senior management of the Group Companies are expected to realize the spirit of this Code by modeling the behaviors embedded in this Code, promoting this Code within their respective Group Companies, and establishing effective corporate structures to implement and uphold this Code. Based on the spirit of this Code, each Group Company may establish and implement its own code of conduct, guidelines, manuals and other documents pertaining to corporate ethics or the provisions set out in this Code, which shall be used as the detailed standards of behavior at the respective Group Companies. Such code, guidelines, manuals and other documents should not contradict the Code.
- (3) We request anyone acting on behalf of any Group Company to ensure such actions comply with this Code. We also strive to encourage business partners of our Group Companies to understand and respect the provisions set out in this Code.

### Establishment, revision and abolishment

The establishment, revision and abolishment of this Code shall be deliberated by the Global Risk Management Committee and approved by the Board of Directors of Suntory Holdings Limited.

### Department in charge

This Code is governed by the Compliance Department of Risk Management Division, Suntory Holdings Limited (hereinafter, “SHD Compliance Department” ), which provides the Group Companies with recommendations, and supports them in implementation of the provisions set out in this Code, and in the establishment of corporate ethics.

### Compliance audit

To assess the compliance with and review the effectiveness of this Code, the Global Risk Management Committee will perform, or have any third party perform, audits of Group Companies as necessary, conducted along with other various measures carried out by the SHD Compliance Department.

### Violations

Directors, officers and employees who become aware of any actual or potential breach of this Code, are expected to report this breach and seek advice from their direct supervisor, the compliance department or a whistleblowing hotline established in their respective Group Company, or contact the Suntory Group Global Hotline. The confidentiality of a person reporting a breach will be protected to the utmost extent, and Suntory Group does not tolerate any retaliation against such person. Violation of this Code, depending on its nature and severity, may result in disciplinary actions based on the internal rules of each Group Company, which may include termination in certain circumstances.

### Interpretation

If you have any inquiries concerning the interpretation or implementation of this Code, please direct them to the SHD Compliance Department.

Corporate Governance

# Risk Management

We strive to understand and analyze the risks to the Group as a whole and take measures to resolve the issues so that we may continue our business operations and contribute to society.

## Risk Management Promotion System

In response to the expansion of global business of the Group, the Global Risk Management Committee (GRMC) was established in April 2015 in order to carry out risk management throughout the entire Group, including overseas Group companies. Under the GRMC, risk management committees and risk management teams have been established at each operating company (Risk Management Committee at Suntory Beverage & Foods Ltd., the Global Risk & Compliance Committee at Beam Suntory, and the Risk Management Team at Suntory Spirits Ltd.). The objectives of these committees and teams are to identify our risks, execute countermeasures, engage in activities related to the establishment of crisis management systems, and fulfill responsibilities towards customers and other stakeholders,

## Enterprise Risk Management (ERM)

The risk surrounding companies is becoming more diverse and complex due to the globalization and informatization of the economy and growing public awareness of corporate social responsibility. Every year, the Suntory Group assesses the materiality of important business risks, including environmental issues such as climate change and social issues such as human rights, and defines risks that may have a significant impact on our stakeholders, in order to take specific countermeasures against those risks. Monitoring is carried out by departments responsible for responding to risks and each risk management committee to reduce and eliminate risks by identifying the priority areas that we should address as an entire Group. Since FY2016, we have been identifying and developing measures to counteract risks occurring in each group company; additionally, we identify risks we are exposed to as a group. The results of risk assessment are reported to the Board of Directors.

### ■ Establishing Infrastructure for Crises Response

The risks companies face are becoming ever more complex, diverse and significant and the enhancement of risk management is a necessity in management. Therefore it becomes especially important to establish Business Continuity Plan (BCP) based on the estimation of potential damage in case of crisis. The Suntory Group has built an infrastructure to respond to crises by establishing the Risk and Crisis First-Response Manual for each company in Japan and the Major Incident Management Manual for each overseas company. We aim to minimize impact and damage in case of disaster through timely sharing information and decision-making when a major crisis occurs to maintain the trust from society.

### ■ Building/Strengthening System Platforms of Group Companies in Japan

We continue to organize Risk Management Steering Conferences with the help of departments responsible for risk response at each Group company and Suntory Holdings Ltd. with the goal to build and strengthen the risk management system platforms of Group companies in Japan. We share challenges related to risks and assess the response measures carried out by each company through bilateral discussions.

## ■ Business Continuity Plan (BCP) Formulation and Implementation

In recent years there has been a string of unanticipated disasters, including both natural disasters such as major earthquakes, flooding caused by typhoons and torrential rainfall, landslides, heavy snow and volcano eruptions, and the spread of infectious diseases such as COVID-19 since early 2020, new influenza and noroviruses, which continually threaten both society and the economy. The Suntory Group has formulated a Business Continuity Plan (BCP) that will enable us to continue doing business as much as possible without interruption in the event of a disaster, to securely provide high quality products and services to customers, thus fulfilling our responsibilities to provide supplies.

The plan we have formulated goes beyond manufacturing at Suntory Group plants to include raw material procurement and distribution as well as sales activities. We have taken steps to be able to decentralize our head office functions and infrastructure in an emergency and continue to strengthen our response structure to cope with contingencies.

## ■ Large-scale Natural Disaster Measures

### Establishment of Safety Confirmation System and Emergency Drills

In preparation for natural disasters such as major earthquakes in Japan, we have in place a system that uses mobile phones, PCs, landlines, etc., to confirm the whereabouts and safety of employees.

We hold safety confirmation drills twice a year and work to raise awareness to ensure that the system operates smoothly. We also conduct regular disaster prevention drills based on the scenario of a major earthquake and drills focusing on how to get home from work on foot.



Disaster Countermeasures  
Headquarters Training

### Disaster Response Systems

In the event of a large-scale disaster, we will provide a quick initial response by setting up a task force, mainly consist of the General Affairs Department of Suntory Holdings Limited and the Corporate Management Division of Suntory Beverage & Food Limited, to oversee the entire Suntory Group, and placing emergency response teams for each department under its control. The initial response of the task force will begin with confirming the safety of employees and their families and collecting and organizing information on damage from a disaster. The task force will also oversee the “restoration of office functions” “restoration of information systems” , and the “arrangement of relief supplies,” which will be carried out according to the action policies of each department, while also "restoring production operations" and "supporting customers and local communities.” These systems and procedures are posted on the intranet so that employees can review them at any time. Since the Great East Japan Earthquake in 2011, we have regularly reviewed our disaster response manuals, enhanced communication means and disaster supplies, and strengthened our disaster preparedness system, including that of our group companies. In addition, given the increasing number of people working from home amid the coronavirus pandemic, the task force has also a remote response system in place to ensure a prompt and appropriate initial response in the event of an emergency, in line with global circumstances.

## ■ Measures Against Infectious Diseases

Since the influenza pandemic in 2009, we have been taking measures to avoid the disruption of business operations by creating a manual on response process during a pandemic based on our Influenza Prevention Manual, disseminating information among employees, clarifying reporting system during pandemic, and strengthening measures to prevent the spread of infection. In addition, we created a course of action related to highly pathogenic diseases to handle all diseases (revised 2015). Furthermore, we have established a BCP that enables operations to continue even during a pandemic, highly-virulent influenza or other diseases.



## ■ New coronavirus countermeasures

We have established a New Coronavirus Task Force, which places the highest priority on employee safety, consolidates information on a disaster's impact on our supply chain and business performance, and quickly makes decisions and implements countermeasures. The system and environment that allows employees to work from home was in place before the coronavirus outbreak, enabling employees to work from home smoothly even during the pandemic. To ensure safety and security of employees working on site, we have implemented measures such as the installation of thermometers, acrylic boards, and disinfectant in various locations. For employees diagnosed with COVID-19, we work closely with industrial physicians to follow up on any health-related concerns presented by them before they return to work. In addition, in 2021, we provided workplace COVID-19 vaccinations for employees, subcontractors, and their families, and since the end of February 2022, we have offered the 3rd workplace vaccination at our major sites across the nation. As part of our social contribution, we worked in cooperation with the Beer Brewers Association to hold a workplace vaccination program in 2021 and 2022 for restaurant workers, liquor store workers, and their families.

## Safety Management for Overseas Business Travel

As globalization continues to progress, safety management for overseas business travelers has become a major challenge. In 2013, Suntory Holdings Limited launched a system that allows the company to centrally keep track of all employees traveling from Japan to overseas countries on business. Furthermore, in 2017, we introduced a group-wide infrastructure system that enables centralized management of overseas business trip arrangements, applications, and post-business trip reimbursement, to confirm the safety of employees on overseas business trips in a short period of time.

For Group companies in regions with high incidence of malaria, tuberculosis, HIV/AIDS, and other infectious diseases, we distribute handbooks and other materials to raise awareness of these diseases and provide opportunities for health consultations with industrial physicians to prevent infection among employees stationed in or visiting on business such places. In order to prevent the spread of the new coronavirus, as of March 1, 2022, overseas business travel is conducted in compliance with the entry rule of each country and Japan's reentry rules after confirming the infection status of the business trip destination, while also utilizing remote communication means.

## Anti-bribery

We promote awareness and understanding by establishing guidelines for entertainment and gift-giving in-line with global standards. We have declared the basic approach of the Suntory Group for anti-bribery activities of directors and employees of the Suntory Group worldwide (Anti-Bribery Measures) in 2015 as our response to global enhancement of anti-corruption regulations, such as the Foreign Corrupt Practices Act (FCPA). Each initiative conducted by the Global Risk Management Committee is reported to the Board of Directors. We have formulated a global Anti-Bribery Policy in 2016, which includes new provisions on donations and political contributions in addition to entertainment and bribery. The Suntory Group's Code of Business Ethics is a set of rules which do not tolerate any improprieties or unfair practices. The Suntory Group actively works to raise awareness and conduct training related to global anti-bribery policies and guidelines for employees while regularly conducting monitoring. Moreover, we have put in place a global Compliance Hotline to create and utilize a system for receiving reports and carrying out consultations.

Employees are encouraged to immediately report any corruption cases or actions thought to be corruption.

## Anti-Bribery Measures

1. Suntory Group, as a global group, is firmly committed to compliance with applicable anti-corruption laws and regulations around the world.
2. All Suntory employees worldwide are prohibited from giving or receiving bribes in any form, directly or indirectly, to anyone (public officials and private counterparties).
3. Suntory Group is committed to providing employees with clear guidelines such as Gifts, Entertainment and Hospitality.
4. Suntory Group is committed to maintaining accurate books and records and appropriate internal accounting controls systems, which shall be audited periodically by our independent auditors.
5. Suntory Group will communicate its compliance objectives, including how seriously it takes ethical conduct and compliance, to its employees, business partners, agents and other third parties.
6. Suntory Group will provide its employees comprehensive compliance and prevention of corruption training programs.
7. Suntory Holdings is committed to enhancing centralized monitoring processes worldwide.
8. Suntory Group wants and expects violations and concerns to be reported and will take action to investigate any complaints.
9. Suntory Group will provide employees with the resources to help them with compliance.

## Risk Assessment for Corruption

The Suntory Group openly communicates about its due diligence processes and the nature of relationships with its business partners; the Group builds efficient risk management system that includes due diligence of its business partners. If a given business area or a transaction appear to have high risk of corruption, we take decisive actions to mitigate the risk in this business area or a transaction.

## Tightening Information Security

We are tightening information security systems in the entire Group to respond to information security risks, which are one of the most serious risks in operations. Global security policies were also formulated in an effort to enhance informational security at a global level.

### ■ Strengthening Information Security Systems

Suntory has established governance through preservation and systems for informational assets by defining the Suntory Group's Basic Principles for Governance of Information Security based on the growing needs of society that demand even stricter management of corporate information security.

We formulated the Suntory Group's Social Media Policy that stipulates the rules for using social media in Japan (including social networking service (SNS) such as Facebook, Twitter, Line, etc.) to respond to the risk of information leaks. We are reinforcing the awareness of each and every employee in the handling of information while advancing the information management of the entire Group based on these policies.

## Suntory Group Information Security Basic Policy

Our information assets are a source of the Suntory Group's competitiveness. During our strategic usage and application of such assets, we must be worthy of our customers' trust in us and fulfill our corporate social responsibility. Thusly, we have identified the appropriate safeguarding of information assets as being an important management challenge, and have instituted the following basic policy, which promotes information security governance.

- By maintaining a chain of responsibility for information security and by formulating and enforcing rules on the handling of information, we will strive for appropriate management as one group.
- By specifying how the information assets that we possess should be handled in accordance with their importance and any risks, we will strive for their secure and proper use and their appropriate safeguarding.
- We will conduct the ongoing education and training of our directors, all employees, and other personnel, and we will commit to awareness-raising regarding this issue and ensure full compliance with rules related to information security.
- We will strive to prevent information security incidents, and in the unlikely event that such an incident occurs, we will swiftly take action to recover and implement corrective measures.
- While complying with laws and regulations in every country we operate in related to information assets, we will continuously improve and enhance the abovementioned information security policies.

### ■ Strengthening of Human Resource and Legal Management

We have established rules and regulations for the correct use of information systems and the management of confidential information, and we are raising awareness of that information via our intranet. Moreover, we are raising Group awareness to the fullest at each Group company in Japan through the following measure:

- Improve information management systems that are based on vulnerability analysis
- Introduce e-learning and study sessions to increase awareness of the importance of information security and the handling of information
- Establish rules related to using social media and introduce study sessions for employees
- Conduct training related to targeted email attacks that are growing year after year
- Work with members under the guidance of risk management control supervisors and leaders at each company to improve IT literacy

In 2016, Suntory put in place the Computer Security Incident Response Time (CSIRT) as a specialized organization to respond to computer security incidents in an effort to prevent informational security incidents and strengthen its response in times of disasters as a Group.

### ■ Strengthening of Physical and Technological Management

Suntory has adopted an entry-exit management system that uses security cards at the Odaiba office, Osaka office and each of our other business sites.

We are also strengthening the management of access to information systems throughout the Group via authentication functions that use security cards and passwords.

In addition, to prevent information leak, we put in place preventative measures for overwriting data on information recording mediums and established systems (automated encryption) to safely store vital information (personal/confidential information). We adopted other measures that include measures to disable automatic forwarding of emails, unauthorized access from outside the company as well as setup and monitoring of a firewall to prevent attacks.

## ■ Initiatives for Minimizing Social Media Risks

Individuals can now easily distribute information with the rise in popularity of social media. However, we see the instances when negative information spreads widely through social media and damages corporate value.

The Suntory Group is conducting activities to make employees more sensitive to social media risks (awareness raising through e-learning, group seminars and promoting use of various education tool, etc.) by formulating various standards and guidelines for use of social media, discovering risks as early as possible, and launching response systems to lessen the social media risks.



social media risk seminar framework

## ■ Support of the My Number System

We have put in place measures to properly manage personal information safely at each Group company as deemed necessary for identifiable personal information (My Number System) introduced in Japan in 2016. We have confirmed that our subcontractors have put these measures in place as well.

## ■ Protecting Customers' Personal Information

Each company in Suntory Group stores personal information of many customers such as of those that applied for sales promotion campaigns and customers using mail-order of health and wellness foods, etc. The Suntory Group works to protect personal information of the entire Group according to the Act on the Protection of Personal Information and Guidelines to protect important customer information.

### Employee Education on Personal Information Protection

We hold e-learning and study sessions for all of the employees in the Group to disseminate the importance of personal information protection. We conducted more focused information security education in departments that directly handle personal information.

### Sales Promotion Campaign History Management System

All processes from acquiring information to deleting records are managed through Campaign History Management System upon signing non-disclosure agreement with subcontractor for sales promotion campaigns that collect customers' address, name and other personal information. In addition, personal information that requires being stored is centrally managed in dedicated database in-house to protect customers' information.

### Information Management of Mail-order Customers

Information of mail-order customers at Suntory Wellness Ltd. are centrally managed in a dedicated closed system at communication management center in which access is strictly managed using the finger vein recognition system.



Finger Vein Recognition system

## Initiative on Intellectual Property Rights

The importance of intellectual property is increasing year after year along with the rising social awareness on intellectual property rights and recent movement on Government's measures and programs for the same. The Suntory Group has established the Intellectual Property Department mainly focusing on patents as well as the Trademark Department focusing on trademarks and our corporate brand "SUNTORY" , as divisions supervising our intellectual property rights of the Suntory Group.

### ■ Utilization of Intellectual Property

Suntory acquires and utilizes the outcome of research & development and design activities in connection with our product, service and technology as intellectual property and promotes our corporate activities to continuously provide highly value-added products unique to Suntory Group, which is symbolized by our "Yatte Minahare" spirit. In addition, based on our founders' spirit "Giving back to society," we proactively utilize such intellectual property in our sustainability activities and collaborative activities with various stakeholders for cohabitating in our society and solving social problems. Throughout such utilization of intellectual property, we strive to maximize the brand value of "SUNTORY" as well as our product and service. We implement an incentive scheme based on Invention Regulation in the Group to promote and utilize employee inventions.

### ■ Respecting Intellectual Property of Others

While utilizing intellectual properties, we collect information upon working closely with the site of research & development, designing and marketing activities in order not to infringe intellectual property owned by others. For example, upon adopting new technology, we survey whether or not there is a patent owned by others in connection with such new technology. Furthermore, when adopting a new product name, we conduct whether or not it is registered as a trademark owned by others. We sometimes collaborate with the experts to judge whether our use of new technology and names are legally correct and appropriate.

Corporate Governance

## Tax Policy

We have established the following tax policy based on the concepts of the Suntory Group Code of Business Ethics.

Below is the summary of Global Tax Policy.

### **Operate effective tax governance to meet our compliance obligations:**

We ensure tax compliance through regular reviews by the CFO of compliance with our global tax policy, clear reporting line at a global level, and the effective use of external professional advisors.

### **Create synergies by maximizing returns, whilst paying the right amount of tax:**

We, as a good corporate citizen, will pay what we determine in good faith to be the correct amount of tax in a tax efficient manner. To create sustainable businesses, we will consider the most tax efficient way, however, we will give the highest priority to business reasons and will not enter into any aggressive tax planning arrangements which we determine have the sole purpose of achieving a tax advantage.

### **Pursue long term interests of society and our stakeholders:**

We will maintain an open and transparent relationship with tax authorities in the jurisdictions in which we operate. Specifically, we will discuss with tax authorities in a timely and appropriate manner, we maintain full and timely disclosure of necessary information as required by law or queries from tax authorities, and if any disputes arise, we strive to achieve early agreement and resolution with tax authorities.

### **Ensure the business is provided with timely support on tax issues:**

We form active links between the tax teams and the business divisions in order to achieve our commercial objectives. Specifically, our tax teams provide the business divisions with sufficient tax awareness to support them in making optimized business decisions.

# Group Company's Sustainability

Right from its founding in 1899, Suntory has worked to expand its business. Operating today as the Suntory Group, the company is active across a broad range of fields that include not only the alcoholic beverage, non-alcoholic beverage, and food businesses, but also health foods, restaurants, and flowers.

The company has further been expanding its operations across the world, conducting business in Asia, Oceania, Europe, and the Americas.

This site introduces various activities of the Group companies.

Activities of Group Companies in Japan



Activities of Overseas Group Companies



# Activities of Group Companies in Japan

## SUNTORY

SUNTORY BEVERAGE & FOOD

### Suntory Beverage & Food Limited

Non-alcoholic beverage and Food business



### Häagen-Dazs Japan, Inc.

Production and sales of Häagen-Dazs



### DYNAC HOLDINGS CORPORATION

Management of restaurants with multiple business formats, such as Hibiki, Uomori, Toridori, Papa Milano, etc., and party catering business



### Pronto Corporation

Management and franchise development of "PRONTO", which is often used both as a cafe and as a bar



### Izutsu Maisen Co., Ltd.

Restaurant business, direct sales at department stores and commercial facilities, delivery business, wholesale business, mail order business, overseas business



### Suntory Flowers Ltd.

Development, production and sales of flower seedlings, potted flowers, vegetable seedlings, fruits & vegetables,



### Suntory Marketing & Commerce Ltd.

- Sales of liquor-related equipment (for liquor retailers and food & drink establishments)
- Sales promotion support and representation for Suntory operating companies (promotional campaign planning, prize merchandise proposals, shipping, and office operation)
- Sales of beer, wine, whiskey, etc.



### Suntory Publicity Service Ltd.

Public relations and marketing support services for Suntory Group companies, services such as corporate PR, facilities and commercial facilities information, management and servicing of cultural facilities such as concert halls and museums, event planning and operation, call center operation, training and consulting, temporary staffing services, etc.



# Häagen-Dazs Japan, Inc.

Head Office 2-1-1 Kamimeguro, Meguro-ku, Tokyo 153-0051

Established August 1984

Capital ¥460 million

Sales ¥52.8 billion (FY2021)

Employees 265 (April 2022)

Business activities Production and sales of Häagen-Dazs

Website [www.haagen-dazs.co.jp](http://www.haagen-dazs.co.jp)



## Company Overview and Philosophy

### ■ “Dedicated to Perfection.”

Since our establishment in August 1984, Häagen-Dazs Japan Co., Ltd. has been committed to our mission “to continue to delight and inspire customers by providing frozen desserts that exceed their expectations.”

The philosophy that underlies these actions is expressed in the corporate philosophy “Dedicated to Perfection.” From product development to delivery to the customer, we will fulfill our mission by adopting the customer's perspective as we strive for perfection in all corporate activities, not least of which are quality and brand.

## Primary CSR Activities

### ■ CSR Management Promotion

#### Comprehensively raising CSR awareness

We have established a corporate code of ethics, which serves as the basis upon which we advance CSR activities. In addition, we continually raise CSR awareness by providing information via means including the company intranet.

### ■ Quality Management

#### Certified for food product safety and quality control

In 1998, the Häagen-Dazs Gunma Plant acquired approval from the Ministry of Health, Labour and Welfare for “Production or Processing of Foods by Comprehensive Sanitation Control Production Process” (ministry's Hazard Analysis and Critical Control Point [HACCP] program). In May 2013, approval was acquired under the FSSC22000 international food safety management system. By thoroughly managing our products in accordance with FSSC22000, we further strengthen food safety across all processes from raw ingredient procurement to production and distribution.



The Gunma Plant

## Implementing employee training on quality

A quality handbook is distributed to employees to ensure that all can perform their daily work with a correct understanding of quality. The booklet provides a comprehensive overview of the quality initiatives undertaken by Häagen-Dazs. We also provide in-house training as part of our efforts to ensure that every single employee fully understands the importance of quality control.

## ■ Relations with Customers

### Strengthening communication with customers

We greatly value communication with our customers, and reflect their opinions in our business activities. In 2010, we established our Basic Policy on Customer Satisfaction, and all of our employees act in keeping with it.

#### Basic Policy on Consumer Satisfaction

We strive to realize, maintain and improve consumer satisfaction in every way through various activities to fulfill our responsibility as a member of society. We value communication with consumers, and provide safe and reliable products and services that bring joy to consumers, gaining their trust, while providing information and reflecting consumer feedback in our business activities.

#### Action Guidelines for the Customer Service Center

1. We will respond to customer inquiries and complaints promptly, accurately and conscientiously, while striving to be fair and just.
2. We will provide customers with a diverse range of information that they can trust and be pleased with.
3. We will see to it that the opinions and requests of our customers, as well as the requirements of society, are reflected within the company.
4. We will comply with laws and our own standards to protect the rights of the consumer.

In addition, Häagen-Dazs Japan has formulated a set of Customer Response Rules in keeping with ISO10002, which provide a code of conduct for the above basic policy and action guidelines. Through these rules, we recognize the right of customers to make inquiries and lodge complaints. The rules clarify the initiative and responsibility we undertake in responding to customers with the objective of maintaining and improving their satisfaction through our corporate activities. We will also formulate and thoroughly familiarize employees with standards and procedures based on these rules.

Information on customer inquiries is entered into our internal information system as soon as we receive the contact. We respond to inquiries in cooperation with the department in charge and record the results. Utilizing this system not only enables us to respond quickly and accurately to customer feedback, but also to share valuable information from customers in real time throughout the company, leading to quality improvement, product development, and enhanced risk management.

We actively utilize our website and the “Secrets of Taste” booklet to provide our customers with useful information. At our website, for example, we provide information on how to enjoy ice cream, such as what to look for when purchasing it and how to store it at home.

## ■ Environmental Efforts

### Certified under the international environmental standard ISO14001

In 2001, the Häagen-Dazs Gunma Plant acquired certification under the international environmental standard ISO14001. We have set goals for reducing water and electricity consumption for more environmentally friendly product manufacturing. We are also working to make more effective use of resources by recycling raw ingredients left over from the manufacturing process into animal feed and other products.

## ■ Initiatives for the Suntory Sustainability Vision

### CO<sub>2</sub>

#### Promoting efforts to reduce CO<sub>2</sub> emissions throughout the lifecycle

From production to distribution and sales, we promote energy-saving activities to reduce CO<sub>2</sub> emissions. We also manage the volume of electricity and paper consumption in our offices to conserve energy.

### Raw Ingredients

#### Pursuing quality of raw ingredients

We dedicate ourselves thoroughly to quality in order to provide customers with the Häagen-Dazs Moment (that blissful instant that occurs when Häagen-Dazs is tasted). We are especially particular about milk, the main ingredient of ice cream. Our dairy farmers adjust feed to suit the physical condition of each individual cow, and even manage the components of grass and soil, which determine the composition of milk. We also use carefully selected secondary ingredients which determine the taste, such as fruits, nuts, and chocolate from around the world. We believe that we can enhance the Häagen-Dazs brand not only by making safe and trustworthy products, but also by offering even higher quality products that delight our customers.

### Containers and Packaging

#### Reducing volume, weight and plastic use in packaging

As we strengthen our efforts to reduce plastic, we have set Plastic Resource Reduction Targets with a target date of 2025. Our ultimate aim for these efforts is to reduce our annual plastic use volume by 50% per year (compared to 2021). We will also move ahead with a gradual switch from petroleum-derived plastics to environmentally friendly plastics or non-plastic materials for ice cream packaging materials (lids, tamper-evident components, etc.) and spoons. We are also working to reduce environmental impact by making packaging materials such as mini cups, lids, spoons, and corrugated cardboard thinner and lighter.

### Human Rights

#### Fair human resource system in place

To help ensure that our employees feel a sense of fulfillment in their work, we have developed a fair and highly credible evaluation system involving interviews during which self-evaluations and evaluations from supervisors are discussed.

#### Employing Persons with Disabilities

We hire people with disabilities mainly for clerical and other duties at our headquarters.

#### Promoting work-life balance

We undertake initiatives with work-life balance in mind so that we can help employees balance their professional and family/social lives. In particular, since long working hours have a significant impact on employees' physical and mental health, we have specified the reduction of overtime work as a company-wide issue, and are working to optimize work hours by implementing thorough management measures.

## Strengthening initiatives to support the development of the next generation

To enable employees to work in a comfortable environment over the long term, we are enhancing and strengthening our systems for childcare leave and for shortened work hours to facilitate childcare. We have also introduced an early return to work support system to assist employees who wish to return to work and play an active role at an early stage.



## Creating a healthy and comfortable workplace

One unique initiative we have introduced is our LOHAS Point benefits system, which converts each employee's actions into points. Under this system, points are awarded according to each healthy activity performed, such as participating in marathon/walking events or using sports clubs. Participants are presented with prizes of their choice from a catalog, according to the points they accumulate.

In consideration of mental health, we have also set up a contact point for consultation outside of the company. Mental health training is conducted once a year as part of our efforts for early detection and prevention of illnesses.

Also, in order to prevent discrimination and harassment in the workplace, we hold training sessions and workplace workshops to raise employee awareness.

## Enriching Life

### Supporting the Kiritappu Wetland National Trust

Since 2007, Häagen-Dazs Japan has been providing support for the Kiritappu Wetland National Trust in Hamanaka, Akkeshi, part of Hokkaido's Konsen district, a production area for the milk used as a key ingredient of ice cream. Kiritappu Wetland has also been registered in Ramsar Convention in 1993 as the third largest wetland in Japan. In addition to providing financial support, our employees regularly conduct volunteer activities, working together with members of the local community to preserve the scenery of the wetlands by repairing the boardwalk.



A view of landscape repair

### Ice cream donated to food bank

Since 2007, we have supported Second Harvest Japan, an authorized NPO and Japan's first food bank organization.

Through our food donations to Second Harvest Japan, which conducts food bank activities\* providing food free of charge to social welfare facilities, we provide ice cream to children at those facilities every summer vacation and Christmas season. In doing so, we provide happy times and smiles.

\* Food bank activities: Activities providing food products to social welfare facilities, etc. The donated food products were previously discarded in spite of there being no safety issues in the manufacturing and distribution processes.



Donating ice cream to child-care facilities

Continuing from 2018, employees of the Suntory Group and Häagen-Dazs Japan worked together again in 2019 as volunteers for a food bank that delivers ice cream to mother-and-child support facilities, child-care facilities, etc.

### Providing school-visit classes in nutrition & career education

In order to advance education regarding nutrition and careers, we have been visiting schools to present classes, mainly at elementary schools in Tokyo, Chiba, Saitama, and Kanagawa Prefectures, titled “What is delicious?” The program serves about 30 schools each year. Many children get to experience a sense of gratitude for the food they eat, the enjoyment of cooperating with their peers, and the pleasure of making others happy through work.

In 2019, we also presented classes for elementary school students in the cities of Iwaki and Soma, Fukushima Prefecture, as part of the Suntory Group's Suntory Tohoku Sun-Sun Project supporting recovery from the Great East Japan Earthquake.



Visiting lecture classes on nutrition



Children's New Product Plans Presented

### Receiving visits to the company

Häagen-Dazs Japan accepts visits to the company by middle school and high school students, who can learn about our brand, our commitment to quality, and our product development process. The program also began accepting students online in 2020.



An online visit to the company

# DYNAC HOLDINGS CORPORATION

Head Office	2-3-3 Daiba, Minato-ku, Tokyo, Japan (inside Suntory World Headquarters)
Established	March 1958
Capital	¥50 million
Sales	¥17.2 billion (FY2021 results)
Employees	900 (As of December 31, 2021)
Group companies	· DYNAC Corporation · DYNAC Partners Corporation
Business activities	· DYNAC Corporation Management of restaurants with multiple business formats, such as Hibiki, Uomori, Toridori, Papa Milano, etc., and party catering business · DYNAC Partners Corporation Consignment operation of restaurants at golf courses resorts, operation of roadside stations and expressway service areas
Website	<a href="https://www.dynac.co.jp/">https://www.dynac.co.jp/</a>



## Company Overview and Philosophy

### ■ “Dynamically creating the joy of food” — That is our work.

In times of sorrow, suffering and anger, people have no appetite for food. Eating has always been a part of enjoyment for people in what we do, including festivals, talking with each other, new encounters and commemorations. Our job is to contribute to lives overflowing with this kind of joy. This is hard work that requires unceasing effort. But it is also valuable work. A company that has a full range of programs to delight customers by opening up the enjoyment of food in every direction. This is the kind of company we aim to be.

## Primary Sustainability Activities

### ■ Promoting Sustainability Management

#### Suntory Group’s Philosophy on Sustainability

At the DYNAC Group, our good corporate citizenship is based on the corporate philosophy of “Dynamically creating the joy of food.” Our aim is to develop food culture, create new value and excitement, and realize a sustainable society by staying close to our customers, employees, and all stakeholders, providing them all with enriching and enjoyable communication through food.

## Corporate Governance

As its system for advancing corporate governance, DYNAC HOLDINGS CORPORATION has chosen to establish a corporate structure that includes auditors. The Board of Directors consists of six members (including two corporate auditors) and makes decisions on issues related to overall management. In addition, we have an Executive Officer system to ensure prompt execution of business operations.

There are two auditors, who use the internal control system to audit the execution of duties by directors, and the general state of business execution. The Auditing Department has been set up for internal control, and works to maintain the soundness of execution of business operations.

In addition, crucial risks are comprehensively and exhaustively managed by the Group Risk Management Committee. We have also established a Sustainability Management Promotion Office to advance sustainability in all organizational functions.

## Thorough compliance

Based on the Suntory Group's Code of Business Ethics, we have established Compliance Rules and Compliance Hotline Rules to ensure thorough compliance.

## Raising employee awareness

In addition to explaining compliance in an easy-to-understand manner for employees on the intranet, we have produced a Compliance Handbook and distributed it to all employees. Members of senior management provide training sessions directly at restaurants and study sessions in each department. Employee awareness surveys are also conducted periodically to check the degree of penetration.

In addition, posters are displayed in all restaurants to spread awareness of the Compliance Hotline among employees.

## Risk Management

The DYNAC Group has established rules regarding business crisis management, confidentiality management, and risk management to enhance and strengthen risk management in our corporate administration. With regard to information security, under rules concerning the protection of employees and personal information, we have established standards for handling the disclosure, correction, and suspension of use of personal information, as well as standards for the use of IT systems, and are working to strictly apply these rules. Furthermore, we are working to identify various risks associated with our business, and have created a system to preempt the emergence of risks and to respond promptly to emergent risks.

## ■ Relations with Customers

### Pursuing safety and security through our Quality Assurance Management System

We have established and are operating a Quality Assurance Management System to pursue food safety and security, and to provide services that satisfy our customers. Based on the system, the Purchasing and Quality Assurance Divisions take the lead in formulating quality assurance policies (plans) while conducting restaurant hygiene inspections and analysis of defective products. We also carry out internal audits as we work to make continual improvements.

### Establishment of Policy on Responding to Customer Feedback

The DYNAC Group has established a Policy on Responding to Customer Feedback, as we work constantly to improve customer satisfaction.

### Policy on Responding to Customer Feedback:

- We respond promptly, appropriately and in good faith to customer inquiries and comments.
- We sincerely appreciate the opinions and requests of our customers, and actively reflect them in our corporate activities.
- We listen constantly to our customers' opinions and use them to improve our products and services.

### Reflection of customer feedback in restaurant activities

We actively collect customer feedback from our website and other sources, and have established a network that allows us to share feedback and inquiries with all of our restaurants. Suggestions at each restaurant are fed back to the restaurants and sales managers, and are reflected in restaurant improvement activities.

## ■ Environmental Efforts

### ISO14001 certification

We have been continuously certified for ISO 14001, the international standard for environmental management systems, since December 2009. We continuously advance environmental improvement activities through the PDCA cycle in order to put into practice the environmental policy set forth by the DYNAC Group.

### Reduction and recycling of food waste

Strategies for waste-free dining, waste-free consumption, and foodstuffs inventory volumes:

- We make efforts to achieve waste-free dining by testing meal content and working to optimize possible per-person portion volumes.
- In addition, the company manages inventory of food ingredients on a daily basis to eliminate waste stock and reduce waste losses.
- We strive to reduce waste by using a wide variety of ingredients in our menus.

The DYNAC Group also complies with the Food Recycling Law and works to reduce and recycle food waste such as food scraps.

## ■ Initiatives for the Suntory Sustainability Vision

CO<sub>2</sub> 

### Energy conservation efforts

As part of our energy conservation initiative, each restaurant has set targets for efforts to reduce electricity, water, and gas consumption.

Raw Ingredients 

### Working with suppliers

DYNAC incorporates the opinions of its customers in wide range of corporate activities while establishing a Food Safety Philosophy and Food Safety Activity Policy based on “All for the Quality,” the DYNAC quality policy. In doing so, we work to maintain and improve quality throughout the food chain in order to provide the highest quality to our customers.



## Containers and Packaging

### Initiatives on the issue of plastic

The straws used at each restaurant are made of an environmentally friendly material containing biomass plastic. We are also continuing such efforts and are bringing about further plastic reduction in line with the “Law for Promotion of Recycling of Plastics Resources,” which went into effect on April 1, 2022.

## Human Rights

### Employee Development

To develop human resources, we provide various types of internal training for prospective hirees, as well as training for new employees, management training, leadership training, and other programs. We present “DYNAC Awards” as a system of business process evaluation to improve our hospitality, technical capabilities and team skills. We also hold a company-wide D1 Grand Prix, competition for customer service skills, as well as a Product Development Contest and Drink Development Contest to provide opportunities to share employee growth among all of our members.



DYNAC Awards (held twice a year)



D1 Grand Prix

(hospitality customer service contest, customer service demonstration, and commentary on service)



Product Development Contest

(A theme is specified for each contest, with actual dishes being judged.)



Drink Development Contest

(A theme is specified for each contest, which includes a demonstration and tasting, "making-of" stories, etc.)

## **Promotion of diversity**

The DYNAC Group believes that respect for diversity is important for corporate development. We have an internal system in place to enable employees to flourish in a diverse workforce regardless of gender or age.

Contributing to the local community of each restaurant is also essential for corporate growth, and we consider the employment of people with disabilities to be a particularly important issue. We will continue our efforts in cooperation with local support organizations, Hello Work, supporters and guardians as we strive to provide meticulous and individualized accommodations that help make working and living fulfilling for those with disabilities themselves.

## **Eminently Fair and Reasonable Evaluation System**

The DYNAC Group has introduced a job qualification system. Employees in management positions set their own goals using a goal management sheet, and discuss the results with their supervisors during interviews, which results in highly satisfactory evaluations and treatment.

## **Ensuring Reasonable Working Hours**

Individual working hours are tallied each month, and a list of employees who exceed the appropriate amounts is compiled, which is reported to management and their department heads to suggest corrective action. To achieve more fundamental solutions, we are reviewing staffing levels and modifying restaurant operations toward optimizing working hours.

## **Childcare, nursing care and support**

We have established internal rules in compliance with the law and promote the use of childcare and nursing care leave. When requested by eligible employees, we also offer shorter hours, exemptions from overtime work, and restrictions on late-night work.

## **Support for mental and physical health management**

We have enhanced our management system with regard to employee health management, ensuring that employees undergo regular health checkups. With regard to mental health care, we conduct annual stress checks on employees. In addition to providing management training for managers, including executives, the company has established an external consultation service to provide counseling and mental support.

## **Enriching Life**

### **Local community initiatives**

In order to root ourselves in the local community, connect with it, and spread food culture, we will work with local producers, companies, and local governments to promote sustainable urban development and regional revitalization through food, and to secure the region's growth potential.

# Pronto Corporation

Head Office	Nisshin Building, 1-8-27 Kounan, Minato-ku, Tokyo 108-0075, Japan
Established	February 01, 1988
Capital	¥100 million
Sales	¥12.5 billion (FY2021 results)
Employees	2,405 (as of 2021, includes full-time employees, contract employees and casual workers)
Business activities	Founded in 1988, Pronto Corporation is the umbrella for several cafe, bar, and restaurant franchises, including PRONTO, a “cafe by day, bar by night” which provides a relaxing to spend time any time of the day, Di PUNTO, a wine bar where customers can enjoy wine and food in a casual environment, É PRONTO, a cafe offering lemonade and gourmet hotdogs, and Tsumugi, a Japanese-style cafe serving tea and Japanese sweets.
Website	<a href="http://www.pronto.co.jp/">http://www.pronto.co.jp/</a>



## Pronto Group Sustainability

### ■ SHARING SMILE

The Pronto Group aims to realize a society in which everyone can share a smile for the sake of a sustainable society (future) under our mission “Sharing Smile” .

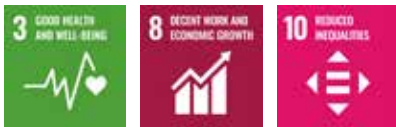


# Primary Sustainability Activities

## Pronto Group's Four Initiatives



### ■ Protecting People



#### Provision of safe and reliable products

Pronto Corporation conducts thorough quality management in compliance with laws and regulations. In order to ensure the quality and safety of ingredients as well as their quality during distribution and consumption, we conduct daily quality and hygiene environment checks and periodic sanitary inspections through external organizations to create a safer environment and products that are more reliable.

#### Employee Job Satisfaction and Diversity Promotion

Pronto Corporation provides various training programs for human resource development.

We also provide support for the acquisition of various qualifications to enhance employee skills and develop human resources with specialized skills.

As for recruitment, in addition to new graduates and career hires, we are actively working to promote part-time workers to employees. Pronto Corporation also promotes diversity by hiring a diverse workforce.

### ■ Protecting the Seas



#### Environmentally-friendly Containers and Materials

Pronto Corporation promotes “3R+Renewable” in contrast with disposable plastics to recycle valuable resources and achieve a sustainable society.

**REDUCE** Reduce waste as well as reduce weight of plastic materials use

**REUSE** Promote reuse as well as use glasses and ceramic utensils in store

**RECYCLE** Reuse waste as materials and fuel with low environmental impact

**RENEWABLE** Switch to renewable resources as well as replace plastic materials to biomass plastic materials

## ■ Protect Resources



### Promotion of food loss reduction

We are promoting reduction of food loss by managing inventory with our unique Supply Chain Management (SCM) system. In addition, we manage ordering at each store based on data to balance supply and demand.

### Promotion of recycling

We proactively engage in reduction of food wastes, non-combustible wastes, food oil, and other wastes. Act on Promotion of Recycling and Related Activities for Treatment of Cyclical Food Resources stipulates a mandatory rate for restaurant industry to recycle or reduce 50% of its food waste, but our store chain achieves a rate of 65% or more.

### Water Sustainability

As a member of the Suntory Group, PRONTO Group is promoting activities to increase understanding of the water cycle, reduction and recycling of water, wastewater management, watershed conservation, and coexistence with the local community.

### Environmentally-friendly store designs

PRONTO Group designs stores that incorporate thorough energy saving and environmental consideration in mind.

### Use of insulation films

Implements films with heat reflecting and insulating properties that improve efficiency of air conditioning

### Implementation of hybrid kitchen equipment

Implement dish washers with unit to recover and reuse heat from steam  
60% to 70% more energy-saving performance compared to conventional equipment

### Water-saving equipment

Implements water-saving equipment with greater cleansing performance that have 50% more water-saving effect compared to conventional equipment

### ISO and Eco Mark certifications

We acquired ISO 14001, the international standard for environmental management systems, in 2009  
In 2017, we acquired the first Eco Mark certification as a restaurant store (PRONTO store)

## ■ Protect Forests



### P LOVE GREEN

PRONTO Group has been promoting “P LOVE GREEN” activities with the theme of “More Green in Japan”, an activity to donate part of the sales of P LOVE GREEN menus which use ingredients from selected location or ingredient prepared with a select method.

The donations are mainly donated to the National Land Afforestation Promotion Organization and used for greenification activities to plant, nurture, and use forests and preserve the natural cycle of forests.



# Izutsu Maisen Co., Ltd.

Head Office	4-8-5 Jingumae, Shibuya-ku, Tokyo 150-0001
Established	February 01, 1988
Capital	¥10 million
Sales	¥10.2 billion (FY2021 results)
Employees	362 (As of March 2021)
Business activities	Restaurant business, direct sales at department stores and commercial facilities, delivery business, wholesale business, mail order business, overseas business
Website	<a href="https://mai-sen.com/">https://mai-sen.com/</a>



## Company Overview and Philosophy

### ■Our Cherished Value: Putting the Customer First

Known for its top brand of pork cutlet specialty restaurants, Tonkatsu MAiSEN, Izutsu Maisen has made steady progress since its establishment in 1965 by striving to provide safe, secure, and delicious foods under the motto “Our Cherished Value: Putting the Customer First.” Having begun with the opening of the first restaurant by the founder, a homemaker, in Hibiya, Tokyo, the company now operates 14 directly managed restaurants and 63 other directly managed outlets mainly located in department stores and train stations. We also provide our commitment to taste by operating a variety of catering, delivery, mail-order sales, and other businesses. In addition, the company has been expanding its restaurants overseas since 2012, with a total of 17 restaurants: 12 in Thailand, 3 in the Philippines and 2 in Taiwan (as of April 2022). We became a member of the Suntory Group in 2008, and continue to carefully protect the traditional MAiSEN brand while utilizing the Group’s backbone.

### Corporate Philosophy

We will always strive to manufacture products with sincerity and sell them in a spirit of hospitality for the sake of the “delicious smiles” of our customers.

And we will continue to make various efforts so that all people involved with the company will be able to say, “What a good company this is.”

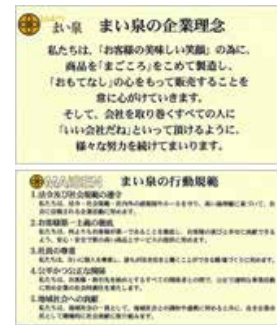
# Primary Sustainability Activities

## ■ Sustainability Management Promotion

### Sharing our Corporate Philosophy & Code of Conduct with all employees

At Maisen, our CSR efforts consist of nothing other than practicing our corporate philosophy of manufacturing products with sincerity and selling them in a spirit of hospitality for the sake of the “delicious smiles” of our customers.

In addition to our Corporate Philosophy, which is the starting point for CSR management, Maisen has formulated a Code of Conduct that outlines the things employees should do. These are made into portable cards and distributed to all employees, and are also recited at morning meetings to ensure that they are thoroughly familiar to all employees.



Every employee carries a card stating the Corporate Philosophy and Code of Conduct

### Code of Conduct

#### 1. Compliance with laws, regulations and social norms

We will comply with laws and regulations, social norms, internal and external company rules and regulations, and endeavor to conduct corporate activities based on high ethical standards to earn the trust of society.

#### 2. Complete adherence to the customer-first principle

We will ensure that, above all else, our customers always come first, and will strive to provide safe, secure, high-quality products and services that contribute to the delight and happiness of our customers.

#### 3. Respect for employees

We respect individuality in each other, and strive to create a workplace where everyone can work with vigor and enthusiasm.

#### 4. Fair and equitable dealings

We will fulfill our corporate social responsibility by striving to conduct our business activities in a fair and transparent manner with our customers, business associates and all other stakeholders.

#### 5. Contributions to local communities

We will strive to harmonize and cooperate with our local community as one of its members as we actively contribute to society in our role as a good corporate citizen.

### Promotion of risk management

Maisen has established management rules for the handling of customers' personal information, over which we exercise strict control. In the mail-order business, where occasions for handling personal information are frequent, we use the Suntory Group's networks and implement security measures equivalent to those of the Group.

Also, in light of the recent social issue arising from employees transmitting inappropriate information via SNS, we have established an SNS Policy and are strengthening efforts to raise awareness among employees through meetings with location managers.

### Strengthening brand management

In order to protect and enhance the value of the MAiSEN brand cultivated over the past half-century, we have registered it as a trademark and strictly control the use of the logo with established guidelines.



## ■ Safety and Quality of Food Products

### Our uncompromising commitment to quality

At Tonkatsu MAiSEN, compromise is something that simply could not exist in our commitment to deliciousness. In order for our customers to enjoy truly delicious pork cutlet, we are particular about pork and all other ingredients and cooking methods, and we continue to preserve the flavors that have been enjoyed since our establishment.

### Establishment of a sanitation management system

Maisen offers freshly cooked pork cutlets at its restaurants and directly-managed outlets, but the processing and preparation of ingredients is done at three plants: the Takatsu Plant (Kawasaki, Kanagawa Prefecture), the Tsuzuki Plant (Yokohama, Kanagawa Prefecture), and the Osaka Plant (Osaka, Osaka Prefecture). Established in 1995, the Takatsu Plant underwent a complete renovation including sanitation management in 2008 as its scale expanded. Zoning and air pressure control were introduced to prevent contamination, as well as metal detectors and X-ray detectors to prevent contamination with foreign objects. In addition, we have established an organizational structure centered on our Quality and Sanitation Management Department, as well as hair countermeasures using air showers and adhesive rollers, as well as strict rules for entering workrooms. Physical security measures have also been strengthened through the installation of card locks and establishment of one-way traffic within plants. By undertaking these initiatives and advancing these standards and rules at our facilities, we obtained certification in 2010 under ISO9001, the international standard for quality management. In 2016, we started 7S activities, and in 2021 we adopted the HACCP system.



A panoramic view of the Takatsu Plant



A panoramic view of the Tsuzuki Plant

### System for uniform quality management throughout Japan

Based on the quality management methods and know-how cultivated through our activities at the Takatsu Plant, we established the Osaka Plant in 2013 and the Tsuzuki Plant in 2016. Each of our plants is committed to thorough quality management as we strive to maintain and improve quality.

In addition, from the standpoint of food defense, quality assurance cameras have been installed in each plant to improve crime prevention systems and enhance quality control by improving operational visibility.

### Thorough education on sanitation management

Food safety and security are supported by each employee's knowledge and awareness of food sanitation. For this reason, we conduct thorough sanitation management training for all employees, including part-time and casual workers, and maintain an e-learning course attendance rate of 100%.

## ■ Relations with Customers

### Priority on dialogue with customers

We have established a Customer Service Center to actively collect customer feedback. This is how we put into practice the credo: "Our Cherished Value: Putting the Customer First." The information is reported and shared at monthly managerial meetings and meetings with location managers, and is used to improve products and services throughout the whole company.

### Examples of improvements based on customer feedback

At Maisen, we continue to review our bread production methods and recipes to further improve the quality of our signature product, the pork fillet cutlet sandwich. In 2013, we received feedback that the products seemed to be a little dry a short time after sale. In response, we began conducting extra food inspections in addition to those already conducted immediately upon completion. We performed the new inspections just before the consumption and expiration dates to ensure the same conditions as our customers, in an effort to eliminate any differences in taste. Moving forward, we will continue to emphasize quality at the customer's time of consumption in addition to the taste of freshly made items.

### Appropriate information disclosure

All information disclosure through various media, such as our website and in-store announcements, is conducted after the Quality and Sanitation Management Department and the Marketing Department have confirmed its legal compliance and appropriateness. In particular, we strive for accurate labeling and easy-to-understand expressions for bulk product labeling and in-store POP and price cards, etc. We endeavor to enhance and improve information disclosure as appropriate, based on customer needs and interest in communication of the information. We also check all menu descriptions to ensure that there are no misleading expressions or ambiguous implications.

### Consideration for overseas customers

With the increase in the number of non-Japanese customers in recent years, the restaurant has introduced menu booklets labeled in four languages (Japanese, English, Chinese, and Korean).

## ■ Initiatives for the Suntory Sustainability Vision

### Raw Ingredients

#### Ensuring traceability

Amid an increasing awareness of food safety and security, inquiries from customers and business partners regarding the places of origin of pork and other products are increasing. For this reason, we maintain documentation of the place of origin, and respond accurately to inquiries.

#### Promotion of food recycling

We focus effort on reducing and recycling food waste, including our early implementation of 100% waste oil recycling. Bread crusts removed during the production of pork fillet cutlet sandwiches have been effectively utilized by selling them to bread crumbs manufacturers and feed producers. As a result of these efforts, we have maintained a 100% recycling rate at the Takatsu Plant and approximately 50% at our shops, and we will continue to strive for further improvement.

### Adoption of filtered fryers

In addition to the above efforts, we have been gradually switching to fryers equipped with filters in our shops, thereby reducing the workload of female kitchen staff and significantly reducing waste oil volumes. By the end of 2022, we plan to have completed the conversion of about 40 shops.

### Reducing food loss

Since we work with items delivered daily, unsold products have to be discarded immediately. We are therefore working on management to improve sales and minimize food loss, and have achieved one of the best loss ratios in the industry.

#### Original Amai Yuwaku pork (Sweet Temptation) brand made from recycled food

In 2012, Maisen collaborated with feed manufacturers and pig farmers to develop Amai Yuwaku (Sweet Temptation), an original pork product from pigs raised on a feed made with bread crusts from pork fillet cutlet sandwiches. We then began using it as an ingredient for pork cutlets and other products. We have also reported and registered as a recycler as stipulated by the Food Recycling Law. As of March 2020 Amai Yuwaku (Sweet Temptation) original pork was being supplied at a rate of about 30 head per month, and we plan to further expand this moving forward.



Original Amai Yuwaku (Sweet Temptation) pork

### Containers and Packaging

#### Switching take-out bags

In 2021, we implemented a switch to a 25% biomass material for the take-out bags used at our directly managed retail shops. To encourage customers to bring their own bags, we developed an eco-bag specially made by Maisen, ideally sized to hold our products and offered for sale in our shops.

### Health

#### Calorie and allergen labeling for each product

In keeping with the recent health boom, we display nutritional information for each product on our website. We disclose allergen information to ensure that customers can enjoy their meals with peace of mind. In addition to the seven raw ingredients specified for mandatory disclosure, we also display information on the 21 associated ingredients for which disclosure is optional.

### Human Rights

#### Relations with Business Partners

#### Technical trainees

Maisen has been accepting technical trainees from the Philippines since 2016, and approximately 50 trainees are currently working at our plants to acquire skills in prepared food production.

### **Conducting audits of supplier plants**

In order to provide our customers with safe, secure meals, it is essential that we maintain relationships of trust with our suppliers, including providers of pork and other raw ingredients. For this reason, when we begin dealing with a new supplier, we conduct a local plant audit, whether in Japan or overseas, to confirm that the supplier is trustworthy. We also conduct regular audits of existing suppliers and request improvements as necessary as we work to create a system that ensures safety and security throughout the supply chain.

### **Relationship with Employees**

#### **Creating an environment supportive of employee growth**

In order to bring smiles to our customers' faces, it is essential that each and every employee who provides products and services benefits from personal awareness and growth. Based on this idea, Maisen has established a training system by job classification and seniority level, and also utilizes outside training programs to meet the growth aspirations of employees.

#### **Mental and physical health support for employees**

To ensure that employees can always work with vigor and enthusiasm, we conduct regular health checkups once a year (twice for those working at night) and maintain a 100% examination rate. We hold regular consultation sessions with occupational physicians, not only for physical health management, but to also promote mental health self-checks and to follow up on the check results. In addition, our Health and Safety Committee sponsors monthly workplace inspection visits to ensure a safe workplace.

#### **Unique motivational contests**

In order to enhance the quality of customer service by store employees who have many opportunities to interact with customers, we hold the M-1 Grand Prix every year based on the “MAiSEN Hospitality No. 1” concept. Each award recognizes exemplary smiles and customer service at our shops, which not only motivates the honorees but also has a ripple effect on other employees.



The 3rd M-1 Grand Prix in 2016

#### **Internal performance recognition system**

Awards are presented to employees who have achieved exemplary results, such as notable achievements in business performance and social contribution activities. We have introduced the “MAiSEN of the Year” system, intended not only to improve company performance and raise morale, but also to fulfill our corporate philosophy.

#### **Promoting Work-Life Balance**

Given our high percentage of female employees, particularly at MAiSEN shops, we have worked from early on to create an environment that allows employees to balance work and family life. In 2011, we introduced a maternity and childcare leave system, which has been used by many employees.

#### **Promotion of Diversity**

At Maisen, we aim to create a workplace where diverse human resources can play an active role regardless of gender, age, nationality, or disability.

Active in hiring people with disabilities, we now have 12 employees with disabilities.

## Enriching Life

### Helping revitalize the community around our main location

To local residents in the vicinity of our main shop location in Aoyama, Shibuya-ku, we are a familiar presence at the core of the local shopping district. To fulfill our responsibility as a member of the local community, we participate in the Town Development Association, and also cooperate in traffic safety activities. During the COVID-19 pandemic, we have also engaged in support activities in which we provide warm, easy-to-eat meals for very busy medical professionals.

### The Children's Project, supporting children's growth through meals

The Children's Project has been in operation since 2011, providing pork fillet cutlet sandwiches to children working hard at sports such as baseball, soccer, and golf, thereby supporting healthy growth of the children who will lead the next generation. Aside from the delicious taste, the Japanese name for these sandwiches includes the word "katsu," synonymous with "win," which makes them a favorite good-luck charm for kids.



Presentation of pork fillet cutlet sandwiches at the Yamato City Youth Baseball Clinic

# Suntory Flowers Ltd.

Head Office	4-17-5 Shiba, Minato-ku, Tokyo 108-0014 (Sotetsu Tamachi Building 4F)
Established	July 2002 (as the floristry operations dept. of Suntory Ltd. split off to become an independent company)
Capital	¥100 million
Sales	5 billion yen (by fiscal 2021)
Employees	59 (in 2021)
Business activities	Development, production and sales of flower seedlings, potted flowers, vegetable seedlings, fruits & vegetables,
Website	<a href="https://www.suntory.co.jp/flower/">https://www.suntory.co.jp/flower/</a>



## Company Overview and Philosophy

Since the 1980s, Suntory has considered flowers to be things that enrich people's lives and impart a healthy spirit. We have applied basic research cultivated in the alcoholic beverage and food fields to the research and development of plants, enabling us to offer our customers ways of enjoying living with flowers. As this business operation expanded, it was spun off in July 2002 to form the independent company Suntory Flowers Ltd. Today we engage in global business operations with sales areas across more than 30 countries, primarily in Europe, North America, Australia, etc., as well as in Japan. Moving forward, we will act every day in pursuit of our aspiration to move the hearts and enrich the spirits of customers the world over through our premium flower and vegetable products.

## Primary Sustainability Activities

### ■ Sustainability Management Promotion

In order to realize the Group's corporate philosophy, "To Create Harmony with People and Nature," we have established guidelines based on the Group's Code of Business Ethics, enabling us to act as a company that offers enjoyment of living with flowers. To ensure thoroughgoing internal compliance, we promote management compliance activities among all employees.

### Protecting/utilizing intellectual property rights

We strive to protect our own intellectual property rights and take appropriate measures against infringement so that we can continue to offer products with high added value unique to Suntory Flowers Limited, utilizing plant breeder's rights, trademark rights, and other rights. We are also mindful of third-party intellectual property rights, and conduct thorough in-house training to ensure that we do not infringe on such rights.

## ■ Relations with Customers

### Offering customers a life with flowers, and the joy of growing flowers

By providing ways to enjoy plants that suit diversifying lifestyles, we hope to expand our circle of communication with customers. In order to enable customers to enjoy the satisfaction of living with flowers and the joy of growing flowers, Suntory Flowers Ltd. includes a corner on its website where customers can search for sales outlets. The site includes Q&A and video content on how to grow flowers, information on the characteristics of each variety, quality control efforts, etc. We have also established a Customer Center to respond to various inquiries by phone and e-mail. In addition, the back of our product labels describe plant characteristics and points for cultivation.



Website

### Improve products and services utilizing customer feedback

All information on customer comments and requests received by the Suntory Flowers Customer Center is recorded and compiled on a regular basis. The information is then shared among all the relevant parties, and utilized to improve products and services, and to develop new products.

## ■ Environmental Efforts

### Thorough compliance with environmental laws and regulations

In order to ensure thorough compliance with environment-related laws and regulations, Suntory Flowers compiles a list of applicable laws and regulations each year and conducts periodic compliance checks. Other initiatives include continued use of FSC-certified paper and vegetable oil-based ink in pamphlets, further reduction of electricity consumption at the Head Office, and continued action calling on contract farmers to engage in environmentally sound practices when using agricultural chemicals. Regarding environmental education for employees, in addition to instruction during new-employee training, we also conduct e-learning once a year, and all employees take the course.

### Environmentally friendly offices

At our Head Office (Minato-ku, Tokyo) and R&D Center (Higashiomi City, Shiga Prefecture), we follow a checklist once a year to confirm whether these facilities are operated in an environmentally sound manner, thus ensuring compliance with environment-related laws and regulations.

## ■ Initiatives for the Suntory Sustainability Vision

### Water

#### Donation to WaterAid Japan

A portion of the proceeds from the sale of “&Green” indoor houseplants, a product concept we describe as “a green brand that creates new connections with greenery,” is donated to WaterAid Japan, a designated nonprofit organization.



## CO<sub>2</sub>

### CO<sub>2</sub> reduction in logistics

We are working to reduce CO<sub>2</sub> emissions in logistics by increasing the supply-demand ratios in our shipment areas and shortening product transportation distances as much as possible.

### Launching environmentally friendly products

In response to growing environmental awareness in recent years, Suntory Flowers Ltd. has been marketing products that offer customers an eco-friendly lifestyle, such as products for green-wall vertical gardens (Eco Goya, etc.) and products with highly effective leaf transpiration (Sun Venus, Terrace Lime, etc.). We also provide information on how to grow and enjoy them.

## Raw Ingredients

### Safety and Security Initiatives

In order to ensure that our customers can enjoy peace of mind in living with flowers, we voluntarily conduct virus and viroid tests for microorganisms and bacteria on the stock plants of our products in accordance with the inspection standards of an official body in the Netherlands that conducts quality inspections of horticultural products.

Regarding quality control at the product production stage, we share information on production status through our in-house Quality Committee to thoroughly prevent and address quality problems.

## Containers and Packaging

### Utilization of “nurtured” forest timber

Ready to Harvest, edible table herbs with the concept of making the pleasure of taste more accessible, easier and more enjoyable, are cultivated partly on land using “nurtured timber,” a byproduct of forest husbandry at Natural Water Sanctuary forests.

## Health

### Donation to the Japan Pink Ribbon Movement against breast cancer

The Princettia of Suntory Flowers Ltd. has been highly acclaimed both in Japan and overseas, named Japan Flower of the Year in 2009 and winning gold medals at overseas exhibitions. A portion of the proceeds from Princettia sales are donated to the Japan Pink Ribbon Movement for Breast Cancer (J.POSH) to support their activities.



Princettia



## Human Rights

### Initiatives with Business Partners

#### Compliance with the Subcontract Act

The farmers to whom Suntory Flowers Ltd. outsources the production of flower and vegetable seedlings are vital partners in advancing our business. In order to maintain mutual win-win relationships, we conduct fair transactions and comply with the Subcontract Act at each stage of contracting, ordering, delivery, acceptance inspection, and payment.

### Relationship with Employees

#### Encouraging flexible work styles to suit each individual

In January 2019, Suntory Flowers Ltd. introduced a telework labor system. This has enabled employees to work from home as well as at the office or on business trips, promoting work styles tailored to each individual employee. By further enhancing IT tools, we also support flexible work styles from any location.

#### Self-development support

To promote self-development, we have introduced the SUNTORY Self Development Program, a support effort common to the Suntory Group, through which employees can attend various programs as needed.

#### Promoting work-life balance

To help employees balance work and personal life, we have institutionalized leave systems for childcare and nursing care, as well as for shorter work hours and staggered shifts. Since 2014, we have set targets for overtime work hours, and have greatly reduced overtime by managing it thoroughly to ensure that employees take compensatory time off if they work on holidays for business reasons.

## Enriching Life

### Supporting local revitalization and next-generation development through flowers

In 2012, after the Great East Japan Earthquake, the Red Flower Project was launched to plant flowers in parks and other public facilities to help revitalize communities, and in 2015, the Big Flower Project was launched nationwide. We have donated flower seedlings to organizations throughout Japan. We received numerous reports of conversations and smiles spreading through participation in the project as the members of the community engaged in growing flowers together. We have also implemented the Kids Gardening Project, supporting flower gardening by children through donations of flower seedlings (by application) to elementary schools across Japan, with the aim of encouraging children to cooperate with their peers and interact with local residents through flowers. Since 2017, we have consolidated and focused these activities on supporting earthquake recovery efforts in the Tohoku and Kumamoto areas. We will continue our activities from 2019 to make as many people smile as possible through the power of flowers as part of the Tomorrow's Flowers Project.



Planting for the Big Flower Project



The Kids Gardening Project

## Flower, seedling donations to areas affected by the Great East Japan Earthquake

In 2011 and 2012, we supplied flower seedlings to the Flower Bed Restoration Program run by the MUFG-UNESCO Association Great East Japan Earthquake Recovery Scholarship Fund, and also provided flower seedlings to elementary schools in Miyagi Prefecture and for the activities of “Green Advisors” in the affected areas. In 2011, employees visited Rikuzentakata City in Iwate Prefecture to deliver planters with Million Bell and Sun Venus flower varieties to people living in temporary housing, and from 2012 to 2014, employees worked with local residents as volunteers to create flower beds alongside national roads. Since 2016, we have been conducting flower-planting workshops in collaboration with Suntory Holdings at children’s centers and school childcare centers in the Tohoku area, and at temporary housing in Kumamoto.



Employees visiting Rikuzentakata City, Iwate Prefecture in 2011



Employees and volunteers participating in the 2012 Rikuzentakata National Roadside Flower Bed Project



Participants in the 2015 workshop at the Ishinomaki Children’s Center



Participants in the 2017 workshop at temporary housing facilities in Kumamoto

## Participation in Women’s Activity Support Program

Since 2020, Suntory Flowers has participated in a charity program for Girls Inc., a North American nonprofit organization that supports girls ages 5 to 18, donating a portion of the sales proceeds from our Soiree® Kawaii brand of flower seedlings each year. A portion was also sent to support homeless youth.



(Soiree® Kawaii is offered in Japan as the “Fairy Star” variety.)

## Scholarship program established to support the next-generation of human resources

The Dream Big scholarship will be established in 2022 in partnership with the American Floral Endowment (AFE) to support enthusiastic agricultural students, nurture the next generation, and give back to the horticultural industry in order to develop it and create the future of flowers.

# Suntory Marketing & Commerce Ltd.

Head Office	1-8-12 Harumi, Chuo-ku, Tokyo 104-6231, (Harumi Island Triton Square Office Tower Z, 31F)
Established	January 1975
Capital	¥100 million
Sales	¥9.6 billion (FY2021)
Employees	182 (As of December 31, 2021) Male: 103 Female: 79
Business activities	<ul style="list-style-type: none"><li>• Sales of liquor-related equipment (for liquor retailers and food &amp; drink establishments)</li><li>• Sales promotion support and representation for Suntory operating companies (promotional campaign planning, prize merchandise proposals, shipping, and office operation)</li><li>• Sales of beer, wine, whiskey, etc.</li></ul>
Website	<a href="https://www.suntory.co.jp/smc/">https://www.suntory.co.jp/smc/</a>



## Company Overview and Philosophy

### ■ Company Overview

Suntory Marketing & Commerce Ltd. plays a role in supporting the Suntory Group's relationships with various customers through the planning and management of various campaigns conducted by the Suntory Group and the development and sale of various kinds of equipment used by Suntory Group's valued customers including pubs, bars and restaurants.

### ■ Corporate Philosophy

We strive to realize, maintain and improve consumer satisfaction in every way through various activities to fulfill the responsibility as a member of the society.

We value communication with the consumers and provide safe and reliable products and services that bring joy to the consumer and gain their trust, while providing information and implementing consumer feedback to our business activities.

In order to fulfill the philosophy noted above, we have established the following five basic management policies.

- Sincerity in business conduct
- An enthusiastic workplace culture where it's easy to work
- The customer comes first
- The pursuit of safety and quality
- Taking up the challenge of creating new value

## Primary Sustainability Activities

### ■ Sustainability Management Promotion

#### Awareness and pervasiveness of compliance

In order for each and every one of us to be a good corporate citizen and always to perform our duties with good citizenship in mind, every employee reviews the Suntory Group's Philosophy (our Compliance Handbook). We also work to instill and raise awareness of compliance through workplace discussions.

### ■ Quality Management

#### Thorough quality assurance and improvement

As a member of the Suntory Group, we comply with various relevant laws and regulations, and with the Suntory Group Quality Policy. We work to thoroughly ensure and improve quality in all processes related to the product life cycle, from planning and development in the development of new commercial materials and procurement of ready-made products, to the selection, procurement, manufacturing, distribution and sales of raw materials. We go beyond merely developing products that are safe and secure to commit ourselves thoroughly to the quality of Suntory products at the moment customers consume them, and to reducing the operational burdens on food and beverage service establishments.

Our space-saving stackable designs for various kinds of equipment have been particularly well received, as has our “Ichioshi-kun” one-push metering dispenser, which makes measurement easy and helps improve drink quality and yield control.



Highball mug liquid temperature change test



Various stackable wares and the “Ichioshi-kun” one-push metering dispenser

### ■ Relations with Customers

#### Automated ordering system development

Despite some temporary easing due to the COVID-19 pandemic, the restaurant industry has been experiencing a permanent labor shortage for some time. In addition, the post-closing inventory and sales forecasting workload associated with the ordering process had imposed a burden on efforts to improve work environments for those employed in the food and beverage industry. To address this issue, we have developed a new function for our online order and supply (NDC) system for restaurants, providing a mechanism for calculating future sales forecasts based on past sales and automatically placing orders. It has been extremely well-received for its ability to avoid loss of sales opportunities due to ingredient shortages, improve food waste and yield, and reduce workloads.

#### Strict management of personal information

Our work in the planning and implementation of sales promotion campaigns and in the development and sale of alcoholic beverages and related goods links us to many general consumers and businesses. We understand that these ties are made possible by the fact that our customers feel comfortable entrusting us with their information and that we handle such information appropriately. In order to prevent accidents such as loss or leakage of important customer information, therefore, we strictly manage personal information in accordance with JISQ 15001.



PrivacyMark

## ■ Initiatives for the Suntory Sustainability Vision

### Containers and Packaging

#### Initiatives based on the Suntory Group Plastic Policy

Recognizing our role as a supplier of commercial-use equipment, which tends to be consumed in particularly large quantities, we respond to the Suntory Group Plastic Policy by actively engaging in the following efforts to diminish environmental impact:

Reduce: Downsize plastic products

Reuse: Use recycled resources

Replace: Reconsider our use of conventional plastics, and their replacement with paper, bamboo, biomass plastics, etc.

### Human Rights

#### Ensure fair and open evaluations

In order to perform fair personnel evaluations, we have established a system that evaluates both performance results and competencies (merit). While we naturally reward high achievers, we also evaluate employees based on their competencies (merit) to ensure that their talents are not buried in difficult environments where it is difficult to produce results. In order to make evaluations more transparent and satisfactory, we have also established a practice in which supervisors and subordinates meet regularly to set goals and receive feedback on their evaluations.

#### Initiatives to enhance employees' personal lives and work-life balance

We have a system in place to monitor computer usage time and other data to prevent inappropriate labor practices such as long working hours and unpaid overtime. We have various programs in place that contribute to employees' personal lives and future plans, including a housing subsidy program, leave and shortened working hours for childcare and nursing care, and a defined contribution pension plan. A total of 30 employees have taken childcare leave since the company's re-launch in 2016 as Suntory Marketing & Commerce Ltd.

### Enriching Life

#### Promotion of volunteer activities

Our mission is to deliver high-quality beverage experiences to as many people as possible. For this reason, we want our employees to broaden their perspectives to encompass a wider range of people not limited to existing customers and potential customers from whom business is anticipated. We encourage their participation by informing them of opportunities for volunteer activity that are readily available in within the company. (However, as these are volunteer activities, the company will never force participation, nor will participation or non-participation affect the employee's evaluation.) For employees who wish to participate more actively in community welfare and volunteer activities, we offer a volunteer leave system to support their activities.

# Suntory Publicity Service Ltd.

Head Office	3-2-24 Toyosu, Koto-ku, Tokyo 135-0061, (Toyosu Forecia 16F)
Established	March 1, 1983
Capital	¥100 million (fully-owned subsidiary of Suntory Holdings Limited)
Sales	¥6.356 billion (FY2021 consolidated)
Employees	2,643 (as of April 2022, includes contract employees and casual workers)
Business activities	Public relations and marketing support services for Suntory Group companies, services such as corporate PR, facilities and commercial facilities information, management and servicing of cultural facilities such as concert halls and museums, event planning and operation, call center operation, training and consulting, temporary staffing services, etc.
Website	<a href="https://www.sps.sgn.ne.jp/">https://www.sps.sgn.ne.jp/</a>



## Company Overview and Philosophy

Suntory Publicity Service Ltd. (SPS) provides high-quality, high-value-added services conducive to providing uplifting experiences for guests at Suntory's plants and at many concert halls and museums. SPS also provides general information services for commercial facilities, and for facilities under designated management belonging to public cultural facilities nationwide, as well as reception services for corporate museums. In recent years, we have further expanded our business into a wide range of areas, including education and training, facility management consulting, general administrative affairs, administrative office operation, event planning and management, and support for corporate social responsibility (CSR) activities. At SPS, our aim is to continue to contribute to society, the community, and industry.

## Primary Sustainability Activities

### ■ Sustainability Management Promotion

#### Employees themselves created “OUR CREDO,” our service charter

In order to foster and pass on the hospitality mindset required for our service, we at SPS have our own service charter, “OUR CREDO,” consisting of three mottos and 18 standards. OUR CREDO is a document that clearly outlines our feelings and orientation for action as a service provider, written by the employees themselves in an easy-to-understand format accessible to everyone. All employees carry OUR CREDO with them at all times in order to apply the contents of this charter to their actual services.

In the service workplace in particular, each staff member shares the hospitality mindset by reflecting on examples of service and checking them against OUR CREDO during meetings.



Our service charter:  
“OUR CREDO”

#### Promoting compliance activities

In order to build and implement a compliance system, we engage in information security, personal information management, measures to address prolonged working hours, and internal education on overall compliance (conducting group training, conducting e-learning, producing handbooks for education, and maintaining a compliance page on the company intranet). In addition, the Company conducts compliance awareness and education activities at each workplace.

### ■ Relations with Customers

#### Thorough management of customers' personal information

In accordance with the Personal Information Protection Law, we have created a personal information management ledger to manage personal information. In addition to reviewing the personal information management ledger once a year, we also review application formats and management rules for the personal information management ledger as needed.

Obtained ISO27001 (ISMS) certification in June 2018 (Scope of certification registration: site support and new business development for public cultural facilities through cultural happiness projects, as well as site support and new business development for music halls, theaters and museums through guest relations services).

#### Improving customer service quality setting staff ideal

We have formulated the customer service, service awareness, mindset and skills required of our staff into detailed and specific items, and conduct staff development and training in accordance with these items. Through role-playing and value-matching, we verify from various perspectives whether we are providing services that match the feelings of our customers. The actual customer service is also checked and verified based on the ideals.



Retrospective meetings are held.

#### Grasping customer perspectives and reflecting them in our operations

We conduct customer surveys from time to time at the facilities we are contracted to operate. Any complaints from customers are shared with all employees working at the facility, and efforts are made to improve the facility. In addition, employees working at each facility visit each other to put themselves in the client's shoes and check on the quality of service.

## Checking on the visibility and clarity of product display content

In accordance with Suntory Group standards, we check the visual presentation of product packaging, labels and instruction manuals for criteria such as clarity of expression, text and image size, contrast between text and background color, and positioning.

### ■ Initiatives for the Suntory Sustainability Vision

#### Water

##### Implementing *Mizuiku* - Education Program for Nature and Water

Unique to Suntory, *Mizuiku* is a program to instill in the children who will lead the next generation the critical importance of water to humans, and the depth of our relationship with it, while nurturing their love of water and nature. Suntory Publicity Service Ltd. made a proposal to Suntory, and together we came up with the content we wanted to convey to children. Throughout the year, we are in charge of on-site classes at about 200 elementary schools and the Outdoor School of Forest and Water, an experiential nature education program.



#### Containers and Packaging

##### Adopting an environmental perspective in the products we sell

We have established standards for the environmental perspective we take when developing or handling new products, such as (1) not using environmentally hazardous materials in products or packaging materials, (2) applying a packaging material identification mark, and (3) not using excessive packaging. We also check the status of manufacturers' environmental initiatives.

#### Health

##### Enhancing correctives to prolonged working hours

In accordance with the Industrial Safety and Health Act, we have established a Health and Safety Committee to study and deliberate specific measures related to safety and health, and are working on measures against prolonged working hours as one of our priority activities. The content of reports made to the Health Committee are also reported to and discussed at Board of Directors conferences and other meetings to strengthen countermeasures.

For managers in particular, we regularly provide opportunities for training to educate them on the effects of prolonged working hours and their consequences. This helps them understand the importance of working hour management, thereby fostering awareness regarding the reduction of overwork and health management among employees.



## **Supporting health promotion and maintenance**

We support health maintenance among our employees through participation in walking events and by encouraging the use of health apps. We have set up health consultation days for in-person and online consultation with occupational physicians and occupational health nurses. On health consultation days, consultations are held not only on physical health but also on mental health, to help with prevention and early-stage detection of mental and physical illnesses.

We have established a Mind-Body Consultation telephone service, a system that provides easy access to counseling services. We also incorporate self-care, member care, and line care programs into each type of training program in order to support employees' mental health care.

## **Human Rights**

### **Relations with Business Partners**

#### **Compliance with the Subcontract Act**

We have prepared explanatory materials on the Subcontract Act, as well as an order form template, and conduct periodic fact-finding surveys. For newly established departments, we hold briefings that include points to note when dealing with companies subject to the Subcontract Act, and confirm their compliance with the Act.

#### **Conducting corporate investigations to confirm reliability**

Whenever initiating new business dealings, Suntory Publicity Service Ltd. conducts a corporate investigation of the new partner, and also confirms the social standing and reliability of the partner by concluding a contract featuring a clause on the “exclusion of antisocial forces.”

We also regularly audit the manufacturing sites of suppliers to whom we outsource the development of food products and goods. This includes checking on quality control and environmental initiatives.

### **Relationship with Employees**

#### **Promoting work-life balance**

We advance systems and operations with the aim of making ourselves a company and organization where employees with diverse values, work styles, and lifestyles can lead fulfilling daily lives both at work and in their private lives, and find their work to be rewarding. We support flexible work styles for our employees by introducing systems for maternity and childcare leave, compensatory time off, shortened and staggered working hours.

## Implementing Telework and a Childcare Safety Net

We have introduced two programs, Telework and Childcare Safety Net (babysitting, etc.) in order to create an environment in which employees returning to work after childcare leave can balance career development with childrearing.

The Telework program facilitates work by employees not currently raising children by supporting work styles not restricted by location or time.

## Ministry of Health, Labor and Welfare Certification Mark Obtained

### "Eruboshi" certification for promotion of women's empowerment (Ministry of Health, Labor and Welfare)

In 2017, the Ministry of Health, Labor and Welfare (MHLW) awarded us the second stage of "Eruboshi" certification, which recognizes companies that excel in the promotion of women's advancement. SPS has also received certifications established by local governments for companies that promote active workplace participation by women. Moving forward, we will continue to improve our systems and environment to maintain a comfortable working environment for diverse employees including women.

- MHLW Eruboshi 2nd Stage certification

### "Tomonin" certification recognizing promotion of a work environment facilitating a balance between work and nursing care

- MHLW Tomonin certification

### Other municipal certifications

- Two-Star certification by Osaka City as a "Leading Company with Actively Participating Women," and as an "Ikumen Promotion Enterprise"
- Step-Two "Work-Life Balance Plus" certification by Sapporo City

## Promoting diversity

Suntory Publicity Service Ltd. has adopted "Mutual Recognition of Diversity" as a company-wide policy, and we actively work to create a corporate culture and implement measures for the mutual recognition of diversity. Although 90% of our employees are women, we are also hiring more male employees and foreign nationals in consideration of the diversity of our customers and their values.

## Employing Persons with Disabilities

Our employees with disabilities are active in a wide range of fields, including clerical work, merchandise sales, and visitor services at cultural facilities. We have set a company-wide target for the number of employees, and are working to hire people with disabilities in order to achieve and maintain the legally mandated employment ratio of 2.3%. As of the end of March 2022, the employment ratio was 2.6%.

In order to enable each employee to engage in work tailored to his or her aptitude, managers at each site nationwide are deepening their understanding of disabilities while minutely checking on the characteristics of on-site work, skills required, workload and other factors. They can then design tasks that enable employees to fully apply their abilities. They are also making every possible effort to provide for transportation to and from work.

## New training programs support employee skill development

In addition to training at the time of hiring and common application-based training throughout the Suntory Group, we also provide position-specific training and career training. We actively promote self-learning, and have introduced correspondence courses and e-learning programs to provide opportunities for skill development tailored to individual challenges. To promote connections and learning among employees, we offer in-house seminars that provide opportunities for learning and dialogue that are useful in on-the-job training. We think of company-wide activities (conference organizations and projects) other than training as educational opportunities that lead to development of employees as human resources and in terms of their careers.

In addition, we have introduced a highly satisfying personnel evaluation system consisting of performance evaluations based on goal-setting, behavioral evaluations based on role expectations, and career interviews conducted by supervisors.

## Enriching Life

### Support during disasters

Public cultural facilities that we administer and operate as designated managers are visited by many people including local residents. For this reason, we regularly conduct disaster drills, first aid training, and automated external defibrillator (AED) training under the guidance of the competent fire department so that we can respond quickly and smoothly in the event of a disaster or emergency. Our head office has produced a major earthquake response manual, and conducts ongoing educational activities.



Conducting disaster drills

### Activities contributing to local communities

As the designated manager of public facilities, we plan and develop cultural programs that make the most of each facility's attractions, and strive to provide services abounding in hospitality. In particular, we aim to operate facilities accessible to all and which will be loved for a long time to come through initiatives that promote and revitalize culture. These include programs that allow local residents themselves to participate in planning and operation, highly original projects for youth development, and outreach activities involving neighboring facilities, as well as a system for incorporating users' opinions into management.

#### · Music for everyone: barrier-free concerts

Yamato Cultural Creation Center SiRiUS, operated by SPS as its designated manager, holds Barrier-Free Concerts by artists active in Japan. In addition to providing programs that can be enjoyed by attendees of all ages from small children to the elderly, we also provide support for patrons with handicaps by introducing sign language interpreters and support systems for the hearing impaired, and by assigning service assistants to help patrons enjoy the performances. Aiming for a harmonious society where people respect each other's individuality, we continuously create opportunities for diverse people to enjoy concerts in the same space.



A performance



A sign language interpreter



Headphones for the hearing-impaired

## Supporting development of the next generation

Suntory Publicity Service Ltd. is engaged in various activities to promote and support the potential and growth of children who will lead the next generation.

### · Professional Experiences

SPS enables local children to become familiar with culture and the arts by providing them with opportunities to experience work at public facilities that SPS operates as a designated manager.

At Yamagin Kenmin Hall (Yamagata Prefectural Cultural Arts Center), we hold “Parents and Children Join in! Work Experience Events for Parents and Children,” in which children can experience the work of a stage crew. Through hands-on experience, students learn the professional techniques that support performances, such as actually shining a spotlight on the stage and touching the sound equipment to produce sound from the speakers.



The Koganei Civic Center holds “Koganei Junior Correspondent” events for elementary and junior high school students in the city, in which they role-play as reporters and cover performances. The experience of producing reports using their own unique perspectives and expressive abilities motivates the children to learn new things.



# Activities of Overseas Group Companies



## Suntory Beverage & Food Europe

Plans management strategy and administer soft drink business primarily in Europe



## Suntory Beverage & Food Asia Pacific

Production and sales of Health Supplements, Drinks, Food and Coffee



## Pepsi Bottling Ventures LLC

Production and sales of PepsiCo's beverage brands



## Beam Suntory Inc.

Manufacture and sale of whiskey and other spirits



## Château Lagrange S.A.S.

Production and sales of wines



## Weingut Robert Weil

Production and sales of wines



## Toyota Suntory Midorie (Shanghai) Co., Ltd.

Manufacturing, sales and maintenance of environmental greening systems including Hana no Kabe, Mori no Kabe, and Midorie Design

# Suntory Beverage & Food Europe

- Suntory Beverage & Food France
- Suntory Beverage & Food Great Britain and Ireland
- Suntory Beverage & Food Spain
- Suntory Beverage & Food EECM-BENELUX Export Markets and Belgium, Netherlands and Luxembourg

## Suntory Beverage & Food Europe

Head Office 2 Longwalk Road, Stockley Park, Uxbridge UB111BA - UK

Business activities Soft drinks production and sales

Website <https://www.suntorybeverageandfood-europe.com/>

## Suntory Beverage & Food France

Head Office 52 boulevard du parc, 92200 Neuilly-sur-Seine - FRANCE

## Suntory Beverage & Food Great Britain and Ireland

Head Office 2 Longwalk Road, Stockley Park, Uxbridge UB111BA - UK

## Suntory Beverage & Food Spain

Head Office Calle Mahonia, 2 5ª Planta , 28043 Madrid - SPAIN

## EECM-Benelux

Head Office SIL Schweppes International Limited H.J.E.Wenckebachweg 123, 1096AM Amsterdam - THE NETHERLANDS

Head Office SBFP Suntory Beverage & Food Poland, Al. Wycsigowa 6, 02-681 Warszawa - POLAND

Head Office SBFB Suntory Beverage & Food Benelux, Rue du Cerf 127, 1332 Genval (Rixensart) - BELGIUM



Core brands including:  
Schweppes\*, Orangina,  
Lucozade, Ribena, La Casera,  
Oasis\*, Pulco, MayTea,  
\*Owned and commercialized  
within SBFE respective  
territories

# Company Overview and Philosophy

## ■ Sustainable Growth with Purpose

Our environmental, social and corporate governance agenda is hugely important to us. We work towards the group’s global vision of ‘Growing for Good’; Doing the right thing by people and the planet as we produce, market and sell our drinks.

The sustainable work that we do is anchored by four key pillars; our resources, our drinks, our people and society, that all reinforce the UN’s Sustainable Development Goals; a blueprint to achieve a better and more sustainable future for all.

By managing the impacts and issues in these areas through ambitious targets that are clear and measurable, and by forging leadership we seek to deliver harmony with our consumers, customers and with our own employees while respecting always our natural world. Our framework of responsibility and leadership will drive us forward, guide and inspire us. It will help make our ambitious and exciting vision of Growing for Good a reality.



## Our Initiatives

### Water

#### ■ Respect water

Water is the main ingredient of all of our products and in many ways the origins of our business. It is also our Purpose as a business “*Mizu To Ikiru*” . That is why we believe we have a role to play in protecting this commodity, in encouraging sustainable water management for next generations.

We have an ambition to reduce water at our production plants by 20% by 2030 and we are on track to achieve this. We invest in a number of water reduction and water reuse initiatives across our factories, and share best practice in order to be as efficient in our water use as possible. Our factory in Toledo has made great progress and has already reduced water use by 5% as of 2017, with great ideas to reach 20% reduction within the next two years.

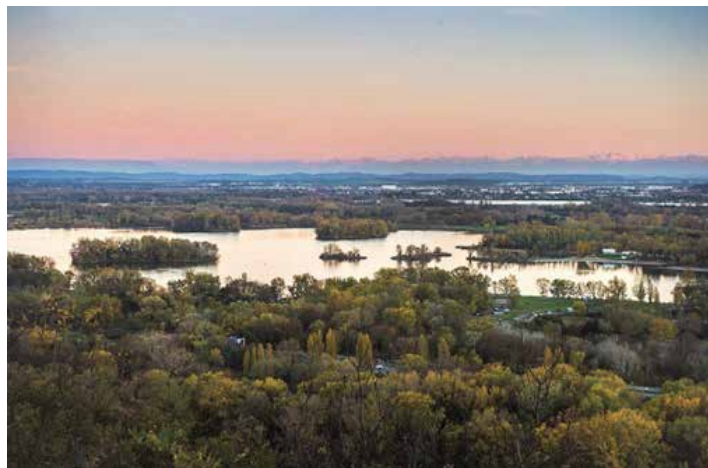
In January 2020, the UK invested £13million in a new high-speed filling line. This line uses 40% less energy and water and directly contributes to our goals of using less resources.

In Spain, our Guardians of Júcar project aims to improve the quality of surface waters, recover natural areas of the riverbank, contribute to the knowledge and improvement of aquatic ecosystems, eliminate invasive species on river banks and promote a public use of Natural spaces through two initiatives: the rehabilitation of the natural environment of the Barxeta Creek (which is already finished), and the improvement of the quality of the water thanks to the implementation of a green filter.

In the beginnings of 2022, the Spanish team has launched Guardianes del Tajo, its second Natural Water Sanctuary in Spain. On this occasion, the action will take place around the Guajaraz reservoir, one of the three reservoirs that provides water to the city of Toledo, where one of the main factories in Spain is located. The main objective of this project will be to improve the quality and quantity of the water the reservoir stores and raise awareness within the employees, key stakeholders and children by fostering volunteering campaigns and *Mizuiku* implementation (educational program for children boosted by Suntory).



In France, we have a 20-year partnership with Grand Parc Miribel Jonage located near our Meyzieu plant. It is the biggest metropolitan public protected park in France and we are committed to support water education programs, sponsor workshops for families enabling them to understand the role of water. Amongst other things, we are also helping them preserve and restore the alluvial forest around the Rhône river.





In the Netherlands Suntory has been sponsoring a project in the 'Marker Wadden' executed by the Dutch Society for Nature Conservation, that is restoring one of the largest freshwater lakes in western Europe by constructing islands, marshland and mud flats.

In the UK we will launch a water education programme for families called 'Water Wisdom' in 2022. Developed in association with environmental charity 'Severn Rivers Trust,' the aim of the programme is to conduct immersive experiences for consumers along the river, showing how to conserve and preserve our water systems for future generations to enjoy.

CO<sub>2</sub> 

## ■ Reduce emissions

We are committed to tackling climate change and will do this by reducing our carbon emissions across our total value chain. We have set clear Science Based Targets to reduce our emissions by 50% from our production (scope 1&2) and 30% across our wider supply chain (scope 3). And we aim to achieve net-zero emissions by 2050. We are making good progress and we track our carbon footprint annually in order to ensure we are transparent in our reporting. In 2021 all of our factories and owned operations facilities that purchase electricity ensured that it came from renewable energy sources.

In France, fighting against global warming is one of our priorities. We have reduced our CO<sub>2</sub> emissions by 41% per litre of drink produced since 2015 and all four soft drinks plants in France, namely La Courneuve, Meyzieu, Donnery and Chateauneuf-de-Gadagne, have already achieved carbon neutrality mainly through strong actions of energy reduction and a compensation programme of remaining emissions (Floresta de Portel project which fights against deforestation in Amazonia). Transportation represents 11% of our carbon footprint. We are optimizing the number and location of our warehouses in order to reduce distances travelled by our products. We are also working on improving our logistic flow and trying to reduce the number of empty trips made by trucks.

In Spain we are committed on Zero Emission for 100% of our fleet by 2030. In 2022 70% of the fleet is already Eco and Zero Emission. In January 2020 we started to source 50% of our electricity across our factories and offices from renewable sources managed through green, clean and renewable energy contracts and by 2021 this was 100%.

All these improvements, has helped Spain to reach 34% CO<sub>2</sub> emission reduction by 2020 (vs 2015)

In the UK 100% of our purchased energy at our factory comes from renewable sources. In January 2020, the UK invested £13million in a new high-speed filling line. This line uses 40% less energy and water and which results in a 4% reduction in energy use at our factory, directly contributing to our CO<sub>2</sub> reduction goal.

And all of our employees can support our goal to tackle climate change, and that includes how they get to work! We encourage cycling to work through subsidized 'cycle to work' funding schemes and in 2022 the UK offices will be installing electric charging points in the car parks to encourage employees to transition to electric vehicles.

## Raw Ingredients

### ■ Procure sustainably

In 2019 SBFE became members of Sedex. As members of this global organization we aim to obtain deeper insights into the environmental and ethical performance of our suppliers. 91% of our raw ingredients and pack suppliers are affiliated to Sedex programme and process in order to enable SBFE to have a clear evaluation of our supplier portfolio sustainable risk and moreover to engage them into improvement plans. 60% of them have completed the full Sedex process including SMETA compliance. 17% of them are evaluated as low risk suppliers and we have zero suppliers sites with open critical non-compliance without any mitigation plan settled.

As a business that is reliant on the procurement of fruit for our soft drink brands we are concerned with global impact on biodiversity from climate change and non-sustainable farming practices.

In the UK, 90% of blackcurrants grown in Britain are used to make Ribena and we see it as our duty to produce the most sustainable crops possible. We employ a full-time agronomist and partner with the Farming & Wildlife Advisory Group so that each of our growers has a resilient biodiversity plan tailored to the individual habitats found in and around each farm. The comprehensive plans, in place since 2004, have helped us restore 200 miles of rough field margins, build more than 2,000 nest boxes, sow an area bigger than the City of London with pollen and nectar-rich plants, and create wetlands, restore ponds, plant woodlands and build bee hotels.

In Spain we work with local suppliers near manufacturing centers to promote the production and development of local areas. In addition, the contracts with the ingredients suppliers include environmental clauses with the commitment to protect the environment, reduce the carbon footprint, improve the water and energy consumption, as well as improve waste management. 23% of the fruit used as an ingredient can be found in less than 100 km from the production plant.

France is committed to sustainable purchasing for all its fruits. That is why, France has issued a guideline of good practices on sustainable sourcing that has been approved and signed by 100% of its partners.

## Containers and Packaging

### ■ Less and better packaging

In September 2019 we announced our goal to be the first global drinks company to use 100% sustainable plastic bottles, using fully recycled or plant-based materials across our entire portfolio by 2030. By buying increasing amounts of recycled plastic, investing heavily in new, innovative technologies, we will ultimately reduce our plastic consumption and carbon emissions.

As an interim goal, our drinks containers will use 50% recycled plastic by 2025. Some of our drinks containers already use only 100% recycled plastic (rPET), for example Ribena in the UK which has been using recycled plastic for more than 10 years.

We will also be ensuring that all the packaging we produce is 100% recyclable by 2025 or sooner. That means that there will be changes to be made in the containers we use, and the packaging we put products in. For example in the UK the Ribena brand replaced all the plastic straws on its cartons with new paper straws, removing 16 tonnes of plastic.



In Spain our packaging in the off-trade is already 100% recyclable and we are working towards making it fully sustainable too. Other changes have been implemented for some brands as Sunny Delight, which has changed sports cap to flat cap, reducing the amount of plastic and the weight of the product, and therefore the carbon footprint.

In addition, all Schweppes has become 100% rPET and recyclable in May 2022 and La Casera will also reach 100% rPET by 2023. Replacing virgin plastic with 100% rPET in both brands will result in an annual reduction of 10,750 tonnes of CO<sub>2</sub> emissions from 2024 onwards.



In 2020 the Ribena brand made significant investment to move to 100% recyclable packaging, removing 200 tonnes of plastic annually by replacing the full plastic wrap sleeve from its bottles with smaller labels. In 2022 the Lucozade Sport brand will go through the same transformation, with a new partial sleeve and a move to 100% recycled plastic bottle content, excluding cap and label.

Examples of how we aim to reach our goals ahead of schedule is the Scandinavian regional activity with partners such as Spendrups in Sweden and Carlsberg in Denmark and Finland, where our brands contain a minimum of 25% but up to 100% or rPET since many years. They function as great examples and reassure us of our vision to work together with our bottlers to reach our ambitious targets.

In order to reach our sustainable plastic goal, in 2019 SBFE invested in Carbios, a company pioneering a bio-industrial solution to recycling PET using an enzymatic process. SBFE is part of a consortium that is funding this ground-breaking technology in order to progress to a mass-market solution that could dramatically reduce the volume of plastic waste and ensure that there is a circular economy solution for PET. In June 2021 we launched the prototype of the first Orangina bottle to be made from enzymatic recycling, a world's first, and then in September 2021 Carbios launched its industrial demonstration plant for its unique enzymatic recycling technology, a chance to showcase this unique technology to the world.

Supporting the recycling process also means encouraging our consumers to recycle more. Our leading brands continue to invest in marketing campaigns to convey these important sustainability messages. We also supported industry-wide efforts for mass-market public campaigns.

In the UK in 2021 we ran out of home and digital advertising during Recycle Week across Lucozade Energy, Lucozade Sport and Ribena, as well as using our brand's well-known ambassadors to maximise reach and drive the recycling message home. And in France we showcased the sustainability messaging of MayTea through national advertising as well as promotional advertising and merchandising in store.

## Health

### ■ Less Sugar

By 2025 it is our ambition to have reduced added sugar across our portfolio by 35%.

We have become a founding signatory of the new EU Code of Conduct on Responsible Food Business and Marketing Practices in 2021. Our commitments towards reformulation of our drinks, food waste reduction and the creation of sustainable packaging fully support the EU's objective to place healthier products on the market and to support the transition towards a circular economy.

We are making excellent progress and by the end of 2021 have already delivered a 23% reduction from our baseline set in 2015. As well as re-formulating our drinks to lower the sugar content we are also putting investment behind our lower-calorie brand such as Lucozade Zero in the UK.

In Spain we have managed to reduce the sugar in our drinks by 42% (vs 2015) and we have also introduced low calorie Schweppes Lemon, Orange, Pink, Ginger Ale, and recently/in 2022 also Agrum and Tonic Lemon. These drinks are widely distributed and are available in 98% of retail points.



In the UK and Ireland we've reduced sugar across our core drink range by 57%, removing 25,000 tonnes of sugar and 98BN calories through a far-reaching reformulation programme. We've been bold with our decisions on our most famous drinks, introducing a zero or low-calorie alternative for each one of them. In 2021, the total reduction of sugar was - 24% compared to 2006 on Oasis in France, without using sweeteners. All the recipes of the brand are renovated with less sugar and no sweetener while still retaining a delicious taste that consumers know and love!

Across all European Export and Commercial Markets, the amount of sugar added to our beverages was reduced by 6%, (in 2021) driven by increased popularity of our low-calorie Schweppes Pink flavor and a continuous improvement of our current portfolio. Suntory Beverage & Food Poland is currently moving towards a low-calorie portfolio, reducing its sugar footprint by 35% (vs 2015).



## ■ Positive Choices

We pride ourselves on providing consumers with easy-to-access nutritional information about the drinks they choose. Information is clearly displayed on all labels and on websites. We also collaborate with industry partners to promote responsible marketing of our drinks. We are a signatory to UNESDA's responsible marketing in schools programme and have pledged that none of our drinks are sold at primary schools, and drinks containing sugar are restricted for sale at secondary schools across all EU member states.

The UK has created its own voluntary marketing code to ensure that responsible corporate citizenship is at the heart of everything we do. This includes our commitment not to directly market products categorised as high in fat, sugar and salt ( "HFSS" ) to consumers who are under the age of 16, and under the age of 18 in Ireland.

In France, we volunteered in 2009 to not communicate on screens and in magazines aimed specifically at children under the age of 12-year-old. Since 2013, our commitments go further because we prohibit all advertising in generalist programmes where children constitute more than 35% of the audience.

In Spain our code of marketing practice specifically states that we do not advertise to children under 12 years of age or sponsor events aimed at children in schools. We also convey messages in all our advertising campaigns promoting healthy lifestyle habits.

## ■ More Natural

We continue to look at new ways to promote naturalness through our drinks and have an ambition to reduce artificial colours and flavours across our product portfolio.

We respond to the consumer necessities with more natural products by replacing additives and free sugars with other components such as natural sweeteners (stevia), or through manufacturing processes so that the final product is less artificial as possible: Schweppes PINK available in Spain is a great example.

## Human Rights

### ■ Inclusive and flexible

People matter. We are encouraging and fostering a healthy lifestyle for our employees. The Covid-19 pandemic has challenged our traditional views of home and office working, and we have adapted to the needs of our employees. Following extensive employee consultation we put in place a new SBFE wide flexible working policy, that has been adopted by our local markets in 2021. This new flexible style of working has been welcomed by our employees, enabled by investments in technology and new systems, and supported by our people and culture team to ensure that everyone can adapt to the new ways of working at their own pace.

### ■ Diversity, Equity and Inclusion

We know that diversity, equity and inclusion (DE&I) is a hugely important issue, and one that many people throughout our organisation care deeply about.

DE&I is about the composition of our workforce and supply chain – in relation to characteristics such as gender, ethnicity, age, disability, social background and much more. It is also crucially about the experience people have within our organisation – the pathways to progression, the working culture, the openness to new ideas and ways of doing things, and the flexibility we offer.

We were determined to make 2020 a year of action on DE&I – because we know that as an organisation there is much more we can and should do. And since then we've been making progress on developing strategies and actions to foster a more diverse and inclusive workforce and workplace. In 2020, led by the CEO, SBFE set up a new employee D&I taskforce. The taskforce is made up of 70 individuals across our entire region representing all functions and levels of the organization. The taskforce has been instrumental in helping us identify key issues, risks and opportunities, and they provide a forum where we can talk openly about the challenges facing our people and our business today. In 2021 we launched our global DE&I framework at Suntory Holdings and SBFE carries this right through to all levels of our organization. At the end of 2021 our Executive Leadership team underwent DE&I training and this training will be extended across the wider organization from 2022 onwards.

## ■ Accountable for our value chain

Building trust means challenging ours and others' perceptions of acceptable behaviour and always acting with respect for others. Our Modern Slavery Act statement sets out the steps we have taken and will continue to take to ensure that modern slavery and human trafficking are not taking place within our business or supply chains. Together with the Sedex assessment, we aim to have more scrutiny and transparency throughout the supply chain, holding ourselves and others to the highest standards. This includes mandatory training for employees who have responsibility for supplier interactions and purchasing.

## ■ Ethical employer

At the heart of our Suntory values is a commitment to working with integrity and we take great pride in our reputation for always conducting business in an honest, open and fair way. That is why we are training our employees on compliance and other topics in order to ensure that everyone understands relevant laws and responsibilities.

In 2021 all employees in the UK completed anti-bribery and corruption training, as well as more specialized training on modern slavery for a number of our employees across sales and supply chain.

Spain is carrying out a process of changing the culture of prevention by seeking to improve the Health and Safety of its employees, focusing on the visible commitment of all hierarchical levels and the participation of all employees. This process is reflected in projects such as Vision ZERO, Road Safety Plan, Training in First Aid which also have an impact on society.

France has rolled out a training called "Play Safe" around how to behave in the face of risks making sure everyone is the guarantor of its security.

## Enriching Life

### ■ Empowering communities

In France, we are partnering with associations that have a positive impact on the environment, people and communities. Ishpingo fights against deforestation in the Amazonian forest, Planète urgence sets up solidarity leaves to protect the environment and support the development of local communities, Secours populaire français acts against poverty and exclusion and AFEV fights against school dropout. In 2021, we have raised nearly 260 000€ for Le Secours populaire français with our brand Oasis and our retail and out-of-home clients. We have also decided to finance one day of volunteering per year on working time. We are partnering with Vendredi association to facilitate the connection with associations employees want to engage with in less than 3 clics.

In the UK in 2018 we launched B Active, a three-year sport for development programme that uses the power of sport and exercise to forge career pathways and positively impact the lives of 16-24-year olds living in communities that need it most. Across a three year period B Active has:

- Helped the development of 10,703 young adults in five UK cities
- Helped 3,699 young people volunteer in their community
- Awarded 2,312 young people with accreditation in vocationally recognised qualifications
- Boosted motivation as 94% said B Active had been a positive turning point in their lives and 74% thought they had greater career opportunities because of their participation

The programme was independently evaluated by academics from Leeds Beckett University, and the findings and recommendations published in 2021. Following the recommendations, a new mentoring programme was launched called 'Coach the Coaches' a peer based coaching programme run by youth mentoring and life skills training platform Apprentice Nation.

In Spain, we encourage and give our people the opportunity to make financial donations to some Non-Governmental Organizations. We inspire some Suntorians to be part of The “CONNECTING LINKS” volunteering. This programme aims to promote generational learning and generate lasting relationships (3 months minimum) between the volunteer and the grandparent. The volunteer's involvement consists of making a half-hour phone call per week to the person with whom he or she is the best match (previously a matching is made between profiles to select the most similar ones and thus make the conversation easier). This forms a part of our core sustainability strategy to build closer connections with our communities and to give back to society.

### **Purposeful brands**

Our Growing for Good vision drives our company and our brands to create purposeful collaborations in an authentic way. An example of this is our latest partnership between Apprentice Nation and our Lucozade brand. Lucozade is working with Apprentice Nation to create a new curriculum pillar on the platform called ‘Unlock Your Potential’, featuring online learning content to help disadvantaged young people across the UK build confidence and develop skills for life and work. As well as providing mentors to the platform, Lucozade will also be holding events and work experience opportunities exclusively for Apprentice Nation participants. We believe that while potential is universal, opportunity isn’t and so through this partnership we hope to highlight career opportunities and provide meaningful training for young adults from underrepresented communities.

### **■ Giving Back to Society**

Throughout the COVID-19 crisis our teams have shown generosity and humble determination to get our drinks to those who need them most. From hospitals to food banks, care home to crisis homeless centres, paramedics to police, we’ve ensured that they’ve all had the refreshment, hydration and energy boost to help them get through the day. Since the start of lockdown we have delivered nearly 2 million drinks to the frontline – thank you! As well as donating drinks, our team in France has supported healthcare frontline workers with donations of personal protective equipment (PPE) which we usually use in our factories. With global shortages of this vital protective clothing we are happy to support in this time of need.

The generosity of our employees is incredible. Spanish employees were given the opportunity to contribute to 3 special projects which aimed to collect money to support the crisis and the most vulnerable people. The payment was managed by discounting the money donated from the employees’ payroll. Save the Children, UNICEF and CRUZ ROJA RESPONDE received nearly 8000 euros from employees. In France, they have launched an internal CSR web platform to donate to partner NGOs such as Secours Populaire, a nationwide association that helps the most deprived individuals.



## Other Sustainability Initiatives

### ■ Less waste

It is our ambition to be zero waste to landfill from our production facilities and we are making good progress to achieve this. We also want to see waste eliminated across the entire value chain. We believe that a circular economy is the best way to eliminate waste and we can play our part by increasing the amount of recycled content we put into our packaging – for example the UK produces Ribena bottles using 100% recycled plastic and in 2021 MayTea and small format Pulco also started using 100% rPET.

We also have an ambition to reduce food waste from our production by 50% in support of Sustainable Development Goal 12.3. We do this by redirecting surplus product to food surplus organisations and charitable donations to support those vulnerable people in need who suffer from food poverty.

Educating our employees on reducing waste is a big part of what we do. In Benelux, we launched a Green Week (7 days, 7 workshops). We worked together on zero waste practices, less packaging tips, better local and veggie consumption, we did a plogging around the lake near our office and collected more than 45 full bags of trash in an hour. All 120 Benelux employees participated at least once to this event.

In the UK, we also launched our own anti-litter campaign called Love Your Forest in the Forest of Dean where our factory and many colleagues reside. Over the past six years, the campaign has engaged 15,000 residents on the issue of littering and recycling, including 120 community events and delivered on-the-go recycling infrastructure in the area. The campaign was one of the UK's first rural anti-littering campaigns, and has since become a blueprint for other local authorities across the country looking to encourage positive behavioural changes around littering and recycling in rural environments.



# Suntory Beverage & Food Asia Pacific

- Suntory Beverage & Food Thailand
- Suntory PepsiCo Vietnam Beverage
- Suntory PepsiCo Beverage Thailand
- Suntory Garuda Group
- Frucor Suntory Group

## Suntory Beverage & Food Asia Pacific (SBFAP)

Head Office 18 Cross Street, #12-01/08, Cross Street Exchange, Singapore 048423

Established SBFAP, a fully owned subsidiary of Suntory Beverage and Food Ltd., is the APAC headquarters managing 2 product categories – Beverage and Health Enrichment, with many brands in leading positions in their respective national markets.

Business activities Production and sales of Beverage and Health Enrichment products in Asia Pacific

Website <https://suntorybeverageandfood-apac.com/>



## Suntory Beverage & Food Thailand (SBFT)

Head Office 17th Floor, Kian Gwan Building 2, 140/1 Wireless Road Lumpinee, Patumwan, Bangkok 10330

Website <https://www.brandsworld.co.th/>

## Suntory PepsiCo Vietnam Beverage (SPVB)

Head Office 5/F, Sheraton Saigon Hotel & Towers 88 Dong Khoi Street, District 1 Ho Chi Minh City, Vietnam

Website <https://www.suntorypepsico.vn/en>

## Suntory PepsiCo Beverage Thailand (SPBT)

Head Office 9th Floor, 622 Emporium Tower, Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110, Thailand

Website <https://www.suntorypepsico.co.th/>

## Suntory Garuda Group (SGB)

Head Office Jl.R.A.Kartini – Kav.8 Cilandak Barat, Jakarta Selatan, Indonesia

Website <https://www.suntorygaruda.com/>

## **Frucor Suntory Group**

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Head Office 86 Plunket Ave, Manukau City, Auckland 2104, New Zealand

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Website <https://www.frucorsuntory.com/>

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## **Company Overview and Philosophy**

### **SBFAP's sustainability strategy**

#### **SBFAP**

At SBFAP, we aim to be in harmony with nature and society to achieve long-term sustainable growth. It is our priority to accelerate sustainability management and contributions to local societies.

We look towards Growing for Good with our people and our values. Whilst striving to deliver the highest quality products and services to our customers, we also make every effort to contribute to the fruitful development of culture, lifestyles and a global sustainable environment.

SBFAP believes in fostering valuable relationships with consumers, partners, employees and communities to achieve a sustainable balance between People, Planet & Profit.

#### **Frucor Suntory**

Established over sixty years ago, Frucor Suntory is a leading beverage manufacturer across the Oceania region, employing over 1200 people across our Commercial offices (Auckland, Sydney), two manufacturing sites in New Zealand (Auckland, Napier) and 5 DCs across the region (Auckland Brisbane, Sydney, Melbourne, Perth)

We are united by our hunger to make drinks better - we manufacture, market and distribute over 20 brands, including V Energy, BOSS Coffee, Maximus, NZ Natural and Simply Squeezed.

In New Zealand we have a long standing partnerships with PepsiCo and Sanitarium, offering end to end solutions for their fantastic range of beverages, including Pepsi Max, Gatorade and Rockstar.

### **Code of Ethical Conduct**

SBFAP has set high standards for corporate governance, as should any responsible company. We strive for transparency of corporate management strategy for our stakeholders. We fully comply with corporate governance laws, and our business is guided by a Management Team with diverse and extensive business experience. In line with our Anti-Bribery & Corruption and Conflict of Interest Policies, all employees went through a training session to help them understand the importance of accountability in their actions. The policies serve as a guidance for our employees in terms of day-to-day decision making.

## Quality Assurance

SBFAP established its Group Quality & Regulatory Affairs department as part of our efforts to become a best practice company. The mission of the department is to offer the best products and services, compliant with relevant laws and regulations, to our customers and consumers throughout the entire product value chain: from research, planning, development, procurement, registration, production, distribution, sales until the moment of consumption. This is in line with SBFAP's company promise, mission and vision, and guided by principles, policies and standards for ensuring consistency across the group. These principles, policies and standards focus on the following areas:

- Customer Focus
- Enhanced Innovation
- Risk Management
- Essence of Lean, Clean & Green
- Brand Image & Reputation Protection
- Ownership, Shared Responsibility & Accountability
- Strategic Partnership

Working together with the various functions and management levels of the supply chain, the Group Quality & Regulatory Affairs department enacts mechanisms and structures related to quality management. This helps to ensure cross-functional quality excellence throughout the Group, for better organization and quality management.

### ■ Our Initiatives

#### Frucor Suntory: 2030 Sustainability Goals

Like our parent company Suntory, we've set ourselves ambitious targets to make sure our business is fit for the future. We are actively working towards achieving these five key goals by 2030:

- Reduce CO<sub>2</sub> emissions by 35%
- Zero waste to landfill
- All packaging to be recyclable by 2030
- Reduce water usage by 20%
- One in three drinks we sell to be low to no sugar

## Water

### Suntory Beverage and Food Thailand (SBFT): SBFT conducts *Mizuiku* program “Save the Water to Save the World”

In 2021, SBFT have continued to increase environmental sustainability efforts by working with the Center for Environmental Studies Thailand (EEC Thailand), along with the company's volunteer employees, to conduct *Mizuiku* – Nature and Water Education Program for youth in Phuket community to convey knowledge of water conservation, cultivate awareness, and inspire local children through various activities under the concept of “Save the Water to Save the World”. SBFT has built a good platform for encouraging local children to have awareness of environmental conservation, which was achieved by gathering knowledge from Suntory and EEC, and then teaching the local children in Phuket. During the program, water-conservation knowledge together with stories about marine resources and conservation guidelines were shared with the children. These stories cover the importance, benefits, and threat of water; origin and functions of headwater that give abundance to ecological systems on land and in the sea; waste management; and value creation for waste, along with beach cleaning and DIY waste workshop. Children were encouraged to apply knowledge gained from participating in the activities, and to share it with their friends and families, and extend the knowledge to achieve sustainable water conservation for the better future.



Participants of *Mizuiku* Education Program



Learning about water conservation in an outdoor classroom

### Suntory PepsiCo Vietnam Beverage (SPVB): Launching the “Million Trees – For A Green Vietnam” Program 2021

SPVB and Quang Ngai Provincial Youth Union held a launching ceremony and planted more than 6600 trees in nearly 5.5 hectares of forests in Minh Long District, Quang Ngai Province in Vietnam in 2021. This program is part of the framework of the “Million trees – For a green Vietnam” program. After 5 months of launching, the program “Million green trees – For a green Vietnam” has accomplished many feats, including planting and taking care of 30,000 new trees in watershed areas at Quang Nam and Quang Ngai forest, and attracting participation from society. Supporting activities such as the “Green Commitment” campaign has encouraged 28,407 registrations and 18,876 participants for “Green Action”, while the “Million green trees” photo contest has attracted 2,419 submission, reaching more than 10 million people, with thousands of share and engagement, and communication activities were widely deployed on social platforms with 3,216 news posts on the province-level fan page and 219,878 news posts on district-level fan page, attracting over 25 million reaches, all of which were effective in attracting more participation from society. The series of closing activities of the program have been organized in a meaningful and practical way to explore the PoMu forest, plant more trees and give gifts to the minority and indigenous people in Quang Nam Province.



Launch of “Million trees – For a green Vietnam” program in 2021

**Suntory PepsiCo Vietnam Beverage (SPVB):  
Launch of educational program for children to learn about water conservation 2021**

SPVB together with Central Council of Young Pioneer Organization launched an educational content of the program “*Mizuiku* – I love clean water”, where a 2D cartoon about water resource preservation was created for children in Vietnam. There were a total of five episodes produced which consisted of five interesting adventures, replicating the message of protecting water resource in a new yet friendly way for children in Vietnam. Subsequently, full episodes with Bi-lingual subtitles were uploaded on the Youtube Channel of Vietnamese Children and *Mizuiku* for many more generations of children to watch and learn. SPVB hopes this educational content will spread the environmental message to society. The *Mizuiku* program conducted by SPVB in Vietnam continues to be a successful program in educating children about water conservation.



2D cartoon on water resource prevention launched for children in Vietnam ( “*Mizuiku* – I love clean water” )

**Suntory PepsiCo Beverage Thailand (SPBT):  
National River & Canal Conservation and Development Day 2022**

SPBT continues its water resources conservation commitment by teaming up with the Department of Water Resources, the Ministry of Natural Resources and Environment, to serve as an official partner of the National River & Canal Conservation and Development Day 2022 project, which will be held under the theme “Action for the River” aimed at raising awareness about the importance of natural water resources so that youths, general public, public and private sectors become mindful about water resources conservation. There are three main activities, comprising a virtual exhibition; a hybrid knowledge sharing academic seminar, featuring a range of honorary keynote speakers who share their knowledge on natural resources conservation with participants; and a viral clip contest and photo contest under the theme “Action for the River” where well-respected experts and national academics in sustainable natural water resources conservation and education serve on the judging panel. The contest is expected to serve as an ideation stage for interested people and enthusiastic students to present their works and practical ideas for sustainable water resources conservation in a creative manner.



Launch of “National River & Canal Conservation and Development Day 2022” Under the Theme “Action for the River”

**Suntory PepsiCo Beverage Thailand (SPBT):  
Concluding another successful *Mizuiku* Program: Youth Water Education**

SPBT together with the Department of Water Resources, the Department of Environmental Quality Promotion, the Ministry of Natural Resources and Environment, the Office of the Basic Education Commission, the Primary Education Area Office, the Ministry of Education, and social and environmental development advocacy group “Klong Wises” announced the accomplishment of the “*Mizuiku* 2021 Program: Youth Water Education”, which saw more than 6,000 students nationwide participating in the water resources management program. The program was a successful water conservation education project, which received an overwhelming response from all relevant agencies and stakeholders, especially good feedback from 260 schools in Bangkok, Ayutthaya, Nakhon Pathom, Saraburi, and Pathum Thani. The project provided knowledge on natural water resources conservation and how to take care of the environment for 6,065 Thai youths through a range of nature-inspired, thought-provoking activities. A further 228 teachers participated in a training program on how to educate integrated water resources management. SPBT remains committed to continuing the “*Mizuiku* Program: Youth Water Education” to extensively reach out to schools nationwide so that Thai youths and students will grow up to become “responsible citizens that care about the environment” and acknowledge the value of water resources and use the water for the highest benefits. SPBT is always ready to pass on knowledge, philosophy, and share experience obtained from participating in the *Mizuiku* program to families and communities as it is part of a collaborative effort to take care of the natural resources and the environment in a sustainable manner.



Prize presentation award ceremony for “*Mizuiku* Program: Youth Water Education”

## Suntory PepsiCo Beverage Thailand (SPBT): SPBT Watershed Conservation Project in Chiang Mai Province

In 2021, SPBT partnered with Raks Thai Foundation to conserve water resources and the environment and rehabilitate the watershed forests by constructing check dams, planting trees & vetiver grass, seedlings, and firebreak lines that have encroached and degraded forests in Mae Chaem District, Chiang Mai Province. This helped elevate the quality of life for people in the area by improving water quality, access to clean water, and fire prevention, as it creates awareness to protect the environment. Over 100 employees and villagers from Baan Huay Pak Kood villagers took part in check dam construction and restoration project, which are significant to the ecosystem of the forest and will help slow water flow and conserve a higher hydration level, thus decreasing the chance of forest fires. Since 2019, SPBT has practiced its corporate philosophy of '*Mizu To Ikiru*' or 'Living with Water'. The following have been accomplished since 2019:

- Implemented the Train the Trainer Water Program for 152 teachers in 76 schools, which shares the element with more than 6,080 students in 3 provinces.
- Hosted Youth Camps and Water Detective Activity for 1,054 school children to raise their awareness on the importance of water resources.
- Reforestation of 700 rai, Vetiver Grass Planting of 100 rai, and 25 km. of natural forest firebreak line in vulnerable areas; along with construction of 1,166 check dams in the watershed forest area of the Mae Suk River basin, Mae Chaem District, Chiang Mai.
- Provide water supply systems and water filtration systems for 4 hilltribe communities in Mae Suk Sub-District, Mae Chaem District, Chiang Mai Province. It has helped to improve the quality of life for the communities in terms of access to clean water.”



Volunteers taking part in the Watershed Conservation Project

### Suntory Garuda Beverage (SGB): Providing clean water access to the local community

SGB is committed to preserving water through various water conservation programs, education, and providing access to clean water for the community. In 2021, SGB rolled out an initiative across their factories to provide clean water access to community nearby our factories. For example, in Landasan Ulin Selatan, Banjarbaru, South Kalimantan, SGB revitalized 12 wells for 370 families, giving them access to approximately 270,000 litre of clean water every month. The revitalization includes re-drilling wells, replacing water pumps, as well as making branch channels to channel clean water to people's homes. In Pekanbaru, Sumatera, SGB built *Mizuiku* Booth contributes 45,000 liters of water every month for the community nearby. And, in Bogor, West Java, SGB supports the community in sustaining the access to clean water by planting trees and sorting out waste responsibly. In Pati, Central Java, SGB supports government program to plant 6,000 mangrove trees to help prevent abrasion and restore coastal ecosystems. SGB is hopeful that these initiatives can help improve the welfare of the community and that all residents can save water together by taking care of the existing water access and water conservation facilities.



Providing clean water access to local communities



Planting mangrove trees to restore coastal ecosystems



## Suntory Garuda Beverage (SGB): Educating students with the 2021 *Mizuiku* program

Despite the pandemic, SGB continued to develop *Mizuiku* learning modules in an online format, so the modules can still be used by teachers and students when learning from home. The learning materials included some *Mizuiku* modules in video format, the Mizu Adventure application and the Mizu-Town website. Through the Mizu Adventure app, children can learn about clean water and how to preserve it in simple ways in a fun environment. The game is also available in the form of board games for teachers to educate children when they return to school. SGB also initiated the Mizu Project: The Competition on Innovation of Water Conservation. 24 elementary schools from six areas across Indonesia took part in the competition for 4-5 weeks, and the 5 winners of Mizu project managed to save more than 5,500 liters of water. In 2022, *Mizuiku* inaugurated 700 new *Mizuiku* squad members, who are selected students that will demonstrate water conservation both at school and at home, and actively encourage their friends to participate in environmental protection activities. The 2021 *Mizuiku* program also trained more than 780 teachers, with aims to improve water and environmental conservation teaching skills. Together with schools and community, *Mizuiku* also planted at least 1,100 trees which was a key step to conserve water and preserve the environment.

SGB also worked with the Indonesian Ministry of Environment and Forestry (KLHK) to inaugurate the first greenhouse facility at a *Mizuiku* School. The inauguration as part of *Mizuiku* 2021 programs, was also to celebrate World Water Week. The Greenhouse facility pilot project for environmental learning facilities for elementary school students is an extraordinary initiative that will enable children to learn about different kinds of plants and their characteristics. In addition, they will learn how to plant and take care of them, the importance of irrigation, and how to adopt water-saving lifestyle by reducing, reusing, and recycling water. Learning zones constructed into the greenhouse, includes the nutrition zone for organic compost production and literacy zone that educates on plants data. Student activities have also been planned to focus on the edible garden; vegetable seeding zone; plant cultivation zone; water reuse system; as well as a zone for making bio pore holes around the greenhouse.



Various online *Mizuiku* learning modules



Children learning at the first greenhouse facility at a *Mizuiku* School

### **Frucor Suntory: Using water thoughtfully**

Water preservation is a key priority of our 2030 Sustainability Goals, as we aim to reduce our water usage by 20% from our 2017 baseline. Following years of improvements in our water efficiency, we are proud to share that we have reached our water savings target nine years ahead of schedule by reducing our water usage by 23% in 2021.

This includes installing a new air rinser on one can line to reduce the amount of water we use to make each litre of finished product. So far, it has helped us save more than 12 million litres of water – the equivalent of five Olympic swimming pools. The success of our air rinser inspired our teams to trial new creative ideas, including burst rinsing by turning our water supply off and on to achieve similar results with less water, and diverting rinse water from our drains to cooling towers that evaporate water and cool down our plants.

We're now challenging ourselves to go even further with our water savings by updating our 2030 water goal to a 33% reduction of water from our 2015 baseline and our 2050 target to a 50% reduction from our 2015 baseline. Last year demonstrated that our ambitious targets are achievable when we work together to find clever solutions to save, reclaim and re-use water.

### **Frucor Suntory: Helping to restore our backyard**

Behind our distribution centre in Wiri runs a section of the Puhinui Stream. Te Puhinui is a catchment in South Auckland nested within Te Manuka and Manukau Harbour with a rich geological, ecological and human history. Through the urbanisation of South Auckland, the catchment has undergone significant change.

In 2021, we started a new agreement with Auckland Council to help restore the section of the Puhinui Stream in our own backyard. This partnership demonstrates our Suntory commitment of “*Mizu To Ikiru*” , which translates to “living with water” by ensuring the health of our neighbouring ecosystem.

Each year, we organise regular waste walks along the stream and walkways to collect and dispose of litter, planting days to improve water quality, and scheduled weeding of the area to support plant growth. Planting native trees encourages new wildlife, provides food sources and shelter, and helps prevent erosion of stream banks and silt build-up downstream. It also makes the area a more pleasant space for the community to enjoy.

Shortly after signing the agreement, our first team of enthusiastic volunteers known as the “Stream Team” swapped laptops for spades and gloves, collecting more than 50kg of waste and planting 600 native trees along the local waterway. We will continue to work closely with the Puhinui Stream restoration team for scheduled weeding of the area to support plant growth and help make the stream a clean, healthy and vibrant space for the Manukau community to enjoy.



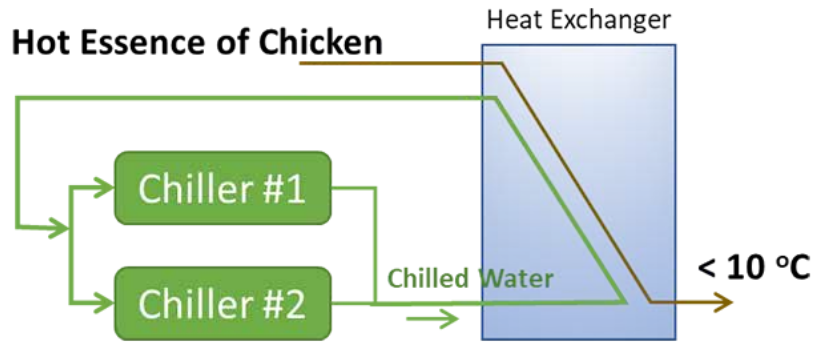
New Air Rinser at our Wiri Factory, Auckland



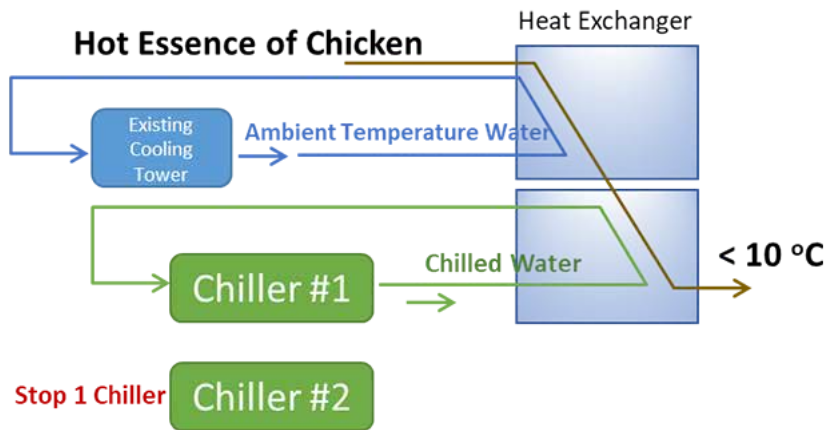
Planting trees close to the Puhinui Stream, Auckland

**Suntory Beverage & Food Thailand (SBFT): Reducing chilled water consumption during production process**

Previously, SBFT required the use of 2 chillers during the production of Essence of Chicken products. Thus, to reduce chilled water consumption during production, SBFT decided to reduce the product temperature by using ambient water temperature in the first stage and then using chilled water to further cool down the temperature in the second stage. This is an improvement from before, where two chillers had to be used to cool the product. Such improvement has resulted in substantial reductions of GHG emissions of 290,143 kg.CO<sub>2</sub>/year and has saved over 476,190k kWh/year of electricity needed for the chillers.



Old production process



New production process

### **Suntory Garuda Beverage (SGB): Reducing our impact of climate change**

In order to reduce the potential danger of global warming and create harmonization in the structural sustainable development from an environmental perspective, SGB have installed an absorption chiller in the factory since 2019 where the energy from engine exhaust gas is converted into a chiller, which can be used as air conditioner, as well as replace the air conditioning system. This initiative has succeeded in reducing 2 scope 1 emissions, namely from activities owned and controlled by our organization, by more than 117 tons per year.

Adding to this, Biomass Boilers are an alternative to environmentally friendly technology, where the energy produced comes from renewable natural sources in the form of biological elements such as dead organisms or living plants. The initiative that has been carried out since 2011 is now gradually being rolled out in all SGB factories to contribute to the reduction of the impact of climate change.



An absorption chiller and biomass boilers were installed to reduce the impact of climate change

### **Frucor Suntory: Filling the space to reduce carbon emissions**

A large part of our business requires transporting products to customers by road, sea, air and rail. This means we're constantly evaluating how we can reduce the role freight has in ensuring we meet our 2030 target to reduce CO<sub>2</sub> emissions by 35%, without compromising on delivery time or quality.

Some of our products are shipped in bulk using large 40-foot containers. We double stack pallets using Astron slip sheets, which are lightweight and made of recyclable material. This helps us reduce the weight of containers but also conserves space. Despite this, approximately two tonnes of space remains in the top of our containers suitable for lightweight stow products.

It was important for us to find a more efficient way and reduce CO<sub>2</sub> per tonne by tackling this wasted space. In 2019, we started trialling a new coshipping initiative with our third-party logistics provider Sorted Logistics to work with other FMCG companies to share our container space and reduce our carbon emissions from transportation.

What once was empty space is now being used to ship light-weight goods such as meat trays and toilet paper from Auckland to Christchurch. Last year alone, 1030 of our containers were co-packed with these additional goods. This initiative has been an incredible success and we've saved over 95 tonnes of CO<sub>2</sub> since we partnered with our co-pack partners in 2019. Our new partnership will continue with Sorted Logistics as we focus on further efficiencies we can make to our trans-Tasman shipping and ensure no space is left unused.



Auckland Distribution centre where our pallets are wrapped ready to ship to customers across Oceania

## Raw Ingredients

### **Suntory Garuda Beverage (SGB): Supporting Local Farmers and Vendors in Indonesia**

SGB is supporting local vendors to bring the goodness and uniqueness of tea for Indonesian consumers. As of 2022, SGB has managed to approve two plantations to produce tea for Mountea and MYTEA. with plans to develop the third plantation and tea factory with the same local vendor. Since 2021, SGB started to collaborate with PT Perkebunan Nusantara VIII, a state-owned Indonesian agricultural company, at Rancabolang plantation, for the cultivation and processing of tea with its own plantations and factories at locations in Central Java. SGB takes pride in supporting local farmers to develop tea with a standard that empowers them to create their presence for export market.

Besides tea, SGB also supports local coconut farmers in Indonesia to get nata de coco with the best quality, which is produced by the fermentation of coconut water, and added into various Okky Jelly Drink products to add a chewy and fun sensation. SGB supports the farmers by taking a lead to produce nata de coco, according to Good Manufacturing Practice (GMP), through developing a prototype for the machine to get clean cutting coconuts, as well as conducting research to determine the right formulation to produce high quality products.



Local farmers harvesting tea leaves

## **Frucor Suntory: Relations with Business Partners**

We make every effort to use local sources for products and services, but on occasion we must use overseas suppliers for some requirements.

To help us constantly improve our ethical sourcing we have continued our membership with Sedex, the largest sharing platform of ethical supplier data in the world. This platform allows us to engage with our suppliers and gather key information regarding social and environmental compliance to ensure they meet our high standards. As of May 2021, over 70% of spend from our Frucor Suntory suppliers with the Suntory Group have been inducted through Sedex. This ensures we are confident that our suppliers are operate responsibly, protect their workers and are committed to ethical sourcing.

## **Containers packaging**

### **Suntory Beverage & Food Thailand (SBFT): Collaborating with Thailand Government and Private Sectors to Promote Recycling Awareness**

In 2021, SBFT signed an MOU with Thailand Institute of Packaging and Recycling Management for Sustainable Environment under the Federation of Thai Industries with more than 50 partners consisting of NGOs and private sectors from the whole supply chain (manufacturers, suppliers, aggregators, and recycling plants), including the education sector, to collaborate in promoting the Extended Producer Responsibility (EPR) concept to public. Through joining this “Pack Back Project”, SBFT works towards a circular economy with the project kicking off in December 2021 through conducting an experiment of packaging collection in a pilot area in Chonburi Province, together with promoting the sorting of packaging from the beginning development of collection and transportation systems. In early 2022, the data collection of research regarding recycling behavior of consumers and the building of recycling network partners was conducted. SBFT also participated in the research and visited the pilot area to collect data for analysis of recycling rate of small glass bottles including BRAND’S bottles. In late 2022, SBFT and some of the leading beverage producers plan to launch activities to educate consumers on recycling awareness in various area such as in schools and point of purchases in Chonburi province, along with the tracking improvement of recycling rate of small glass bottle in pilot area in order to share a model for industry expansion.



Meeting with local authority for direction

**Suntory PepsiCo Vietnam Beverage (SPVB):  
Reducing the plastic weight used in packaging without comprising on product quality**

To ensure responsibility for their products goes beyond hydration & quenching consumers' thirst, SPVB is reducing the amount of plastic usage in each of their bottles to reduce the environmental impact of their packaging. With the goal to become the best-in-class company in plastic light weight, SPVB announced the launching of Aquafina lightweight plastic bottle for 500mℓ pack size in Ho Chi Minh City, Vietnam in July 2021. Using the latest state-of-the-art technology, SPVB successfully reduced a bottle's weight from 13.5 to 11 grams without compromising Strength, Quality and Brand Equity. This innovation together with an incredibly thin closure was newly added to the bottle to prevent carbonation from escaping took two years to develop despite the COVID-19 challenges. With this initial success, PepsiCo & Aquafina will continue to reduce the plastic weight of the bottles progressively for the rest of their portfolio pack sizes in 2022 with approximately twenty percent plastic usage savings versus the design used in previous bottles. This enables SPVB to have a bigger environmental impact in hope for a greener world, as sustainability and the wellbeing of our planet is always one of the most important priorities for their business.

**Suntory PepsiCo Vietnam Beverage (SPVB):  
Launching the first product using 100% recycled plastic\* packaging in Vietnam**

In April 2022, SPVB was proud to launch for the first time in the Vietnamese market, Pepsi 330mℓ, using 100% recycled plastic\* packaging. This breakthrough initiative follows a series of innovations for the Pepsi brand and keeps SPVB moving towards the goal of sustainable development. The new packaging does not lose its convenience and retains the distinctive flavor and spirit of the product, as well as bring to life true green values besides refreshment and pleasure for customers. With the vision of 'Growing for Good' and innovative thinking to serve consumers in Vietnam, SPVB's product portfolio is constantly changing and creating to meet international quality standards, but always in line with the needs and tastes of Vietnamese consumers. SPVB is always aware of their role and responsibility in solving arising problems related to the environment and keeps improving products and production processes to be more environmentally friendly. This is also one of the important factors that have kept SPVB in its leading position in the Vietnamese beverage market since many years. Launching the first product using 100% recycled plastic\* packaging in Vietnam is something that SPVB is very proud of, and they hope that Vietnamese consumers will continue to welcome and support this new initiative.

\*330mℓ Pepsi pet-bottle is made from recycled plastic, excluding lids and labels



Jahanzeb Khan, CEO and General Director of SPVB speaking about “always improving products and production processes to be more environmentally friendly.”

**Suntory PepsiCo Beverage Thailand (SPBT): Committed to reducing the use of virgin plastics and supporting care for the environment through sustainable packaging**

SPBT strives to select and develop environmentally friendly packaging that can be recycled and reduce the plastic waste problem under the concept of a Circular Economy, reinforcing the vision of “Growing for Good” or sustainable growth in conducting business while taking care of society and the environment. PET (Polyethylene Terephthalate) plastic was chosen as the packaging for all SPBT beverages as the used clear & colorless PET bottles are 100% recyclable and have a higher purchasing value than colored bottles. Clear colorless PET bottles can be easily recycled and converted into a variety of products such as fiber for clothing and automotive parts. SPBT has developed technology in the production and packaging design process to create a lightweight plastic that helps reduce the use of new plastics for production of each bottle. These bottles adhere to packaging standards and are clean, safe, lightweight, strong, resistant to impact and environmentally friendly making them easy to manage. Packaging Sustainability Management remains one of the most important sustainability policies of the company. SPBT’s commitment to reducing the use of virgin plastic since 2018, has resulted in the company being able to achieve reductions totaling 531.6 tons, as of 2021. SPBT also initiated a waste segregation education project in schools and communities and has joined hands with business partners such as Wongpanit, a major recycling firm in Thailand, which announced the purchase of clear colorless PET bottles from Suntory PepsiCo at a price higher than ordinary PET bottles with an additional 1 baht per kilogram. Other initiatives have included a pilot project with new technology such as the 'ReFun Machine' where 10 ReFun machines were installed in front of ten 7-11 convenience stores in Bangkok and Metropolitan areas, with the objective to promote proper waste segregation to consumers and bring used PET plastic bottles back into the systematic recycling process. With these initiatives, SPBT remains committed to reducing the use of virgin plastics and supporting care for the environment through sustainable packaging.



Easily recycled clear colorless PET bottles

**Suntory Garuda Beverage (SGB): Continuous innovations for a more environmentally friendly packaging**

SGB have continued to make innovations to make a lighter and more environmentally friendly packaging. Currently, MYTEA and Good Mood bottles are the lightest PET plastic bottles in the world with nitro hot-fill technology. Furthermore, Okky and Mountea’s packaging is gradually reducing PP plastic fallow.

For carton packaging, we also adjust the dimensions and materials used, making them lighter and more efficient. Since 2019, we have also gradually used recycled PP plastic pallets in our warehouses and distribution centers.

Along with our efforts at the factory to save on the use of plastic raw materials and boxes, we also collect plastic packaging and carton waste, utilize used beverage carton as corporate gift, as well as educate the public in the form of webinars, banners, and leaflets in collaboration with several communities in Jakarta and its surroundings.



## Frucor Suntory: Reduce, reuse, recycle

Guided by our Growing for Good vision, Frucor Suntory is committed to leading the shift towards a circular economy by increasing our use of recycled content, evaluating new materials and sources, minimising the volume and weight of our packaging, and working together with industry and government to improve recycling systems and infrastructure in Australia and New Zealand.

We have also improved the recyclability of our existing PET bottles. We've replaced the green bottles across our 7Up range with clear recycled plastic displaying a new recycling logo printed on the front. Our existing green plastic bottles were recyclable but replacing them with clear plastic makes it easier for consumers to recognise their recyclability and increase the likelihood that it will stay out of landfill.

In addition to adjusting the materials we use in our plastic packaging, we have ramped up research and implementation of our light weighting project for glass bottles that started in 2020. As a result, we have delivered new light-weighted 330ml V Pure glass bottles by removing unnecessary material to optimise its material usage and functionality. We estimate that by replacing our existing bottles, we will be able to reduce our glass usage by four tonnes and carbon emissions by 1.3 tonnes.

Regarding recycling practices, we are committed to migrating our full PET portfolio to rPET over the next few years to help lower carbon emissions. This has started with our water brands, h2go and NZ Natural, and in April 2022 we launched a 600ml 100% recycled plastic bottle across the PepsiCo portfolio in New Zealand (Pepsi Max, 7UP and Mountain Dew) with a nationwide sustainable media campaign. Today, this means that 93% of our packaging is recyclable and we are working to achieve 100% recyclable packaging by 2030.



New Pepsi Max rPET bottle which launched in New Zealand in April 2022

## Health

### Suntory PepsiCo Beverage Thailand (SPBT) & Suntory Garuda Beverage (SGB): Creating healthier drink options with Suntory TEA+ Oolong tea and MYTEA+

SPBT is extending their portfolio on the healthy drink trend with one of its newest products TEA+, while Suntory Garuda Beverage (SGB) announced the launch of MYTEA+, both of which are ready-to-drink oolong tea from Suntory Japan with two formulas: Tasty and No Sugar. This product is aimed to meet the modern lifestyle of young consumers who look to enjoy tastiness, freshness, and healthiness in one drink, with the same product quality as its Japanese counterpart. The ready-to-drink oolong tea, is manufactured with great attention into detail at every step and with Suntory's unique techniques in preparing the best oolong tea - from the plucking of tea leaves in the early morning light, fermentation processing (semi-fermentation), to pan firing and rolling. This new product is set to deliver the quality of fresh oolong tea, mellow taste and flowery fragrance on top of its refreshing nature with natural substances OTPP from Oolong tea, which makes it an ideal drink to relax and light up your day. TEA+ comes with two flavors for consumers to choose from: Tasty (low sugar) and No Sugar, making it a healthier alternative for consumers.



SPVB with the launch of TEA+



SGB with the launch of MYTEA+

## Frucor Suntory: Progress on sugar

Our hunger to make drinks better is what drives us – and this means offering choice and great tasting drinks.

We know that our customers want high quality, low sugar drinks and we've seen this through the success of our newly formulated V Sugar Free Blue which has added the highest sales growth to our low and no sugar energy drinks range.

We work closely with Suntory and our Flavour Houses on sugar reduction and sweetness enhancement tools and technology, to find new ways of giving consumers the same great taste, but with less sugar.

2021 saw us continue to adopt the Health Star Rating food labelling scheme across several products. This work will roll out across our full portfolio in the coming years to empower customers to make informed decisions.



Blue V Energy Sugarfree

## Human Rights

### Suntory Beverage & Food Thailand (SBFT): Providing a safe and fun workplace for employees

SBFT prioritizes their people, extending work support and taking good care of them even during the COVID-19 pandemic. SBFT consistently sent healthcare essentials and good wishes to them, and virtual activities were held to strengthen the relationship between their people. COVID-19 vaccination drives were held for employees and SBFT also closed the gap between people within their organization through activities that let employees share their opinions with company's leadership. A Master Chef contest was also held to encourage employee engagement for collaboration, and a "Welcome Back" activity was conducted to build employee relations. All these initiatives allowed employees to have solid reaffirmation of the ONE SUNTORY corporate culture and they were recognized for it as SBFT was named one of the "Best Companies to Work for in Thailand 2021" by HR Asia, the region's most authoritative publication for HR professionals.



Welcome back activity to build employee relations

## Suntory Garuda Beverage (SGB): Winning Occupational Health and Safety awards

SGB was awarded the 2021 Occupational Health and Safety award by the Ministry of Manpower of the Republic of Indonesia, the Directorate General of Labor Inspection and Occupational Health and Safety. The winners of the zero-accident award are decided by Ministry of Manpower of the Republic of Indonesia by looking back on the central level evaluation with the specified criteria indicators, both in the company policy and administration documents relating to Occupational Health and Safety, Health and Employment social security claims. This is the third year that Pekanbaru Factory of SGB has won this award, after receiving the same appreciation in 2019 and 2020 by Riau Province Manpower Office. SGB implements integrated safety management which involves the active role of all employees. Apart from being disciplined and clear in applying manuals, coaching, and “Plan, Do, Check, Action” (PDCA) procedures, this risk management-based safety management is carried out by SGB through the development of an integrated system that encourages all employees to identify and self-assess hazards and participate to share incidents that have the potential to cause loss or accidents in the work environment. At SGB, they have built an integrated system that encourages all employees to identify potential hazard, share near-miss incidents at work sites and build prevention as a continuous effort in a part of employee responsibility to create a safer work environment.



Providing a safe work environment for employees and winning the Occupational Health and Safety award consistently

## Frucor Suntory: Prioritising the health, safety and wellbeing of our people

Our Health, Safety and Wellbeing team has taken significant steps towards reducing the number of workplace injuries and placed focus on prioritising our employees’ mental health.

In 2021 the team shifted their focus significantly to mental health to respond to the needs of people through the ongoing COVID-19 pandemic and continued community lockdowns. We support the mental wellbeing of our people by providing access to information, tools and support they need when they need it.

If not addressed properly, mental health can have a knock-on effect leading to safety issues in the workplace. We implemented several initiatives and programmes to provide our people with the skills to acknowledge, address and support their journey in maintaining good mental health.

An area that was also significant emphasis for the Health, Safety and Wellbeing team was decreasing the number of workplace injuries at Frucor Suntory, which had remained at a steady level over the past few years. To address this, we updated our operations risk assessments to make them more comprehensive and put dedicated focus onto our manual handling training to ensure our people have better risk awareness and understand how to mitigate them.

The business implemented a very successful early ‘Discomfort, Pain and Injury’ programme to identify problems early and proactively assist our people. As a result of these changes, we reduced the number of people injured at work significantly.

### Suntory PepsiCo Beverage Thailand (SPBT): Employees band together to help society

SPBT sets the month of August every year as a “Helping Hands Month” and has done so since 2018. The aim is to turn the corporate culture of “Being a Giver” into practice through the Helping Hands project. Employees are encouraged to volunteer for the opportunity to participate in activities to help society. Although the pandemic continued to spread in 2021, SPBT’s employees still raised funds through the “Bring & Buy” activity under the concept of “Sharing Kindness by Providing Drinking Water” . The funds raised from these activities were used to establish a clean drinking water system for students in Rayong and Saraburi provinces with 6 schools receiving assistance. In addition to providing a clean drinking water system for students, SPBT also expanded their support under the “Helping Hands” Project to eatery partners affected by COVID-19 measures. A total of more than BHT 255,000 was raised to help students and eatery partners. The Helping Hands project continues to reinforces the solidarity among SPBT employees in their efforts to create good things for society.

Besides that, SPBT also worked with PepsiCo and Raks Thai in a joint initiative called “Give Meals Give Hope” #millionsofmeals, where they are supporting more than one million meals and dried food bags to approximately 80,000 people. The aim is to increase this funding through support from our employees and general public. We will also focus in Saraburi and Rayong Provinces where we have our manufacturing facilities to provide over 216,000 meals and more than 2,250 relief bags to local communities. An additional 16,500 people will benefit with this initiative. Essential personal protective equipment (PPE) and medical equipment will be provided to various hospitals, while food packs are distributed for vulnerable communities across Thailand. SPBT stands together with communities, people, and medical professionals in the fight against COVID-19.



Employees constantly volunteer for activities in SPBT's efforts to create good things for society

### Suntory Garuda Beverage (SGB): Spreading goodness to the community

In July 2021, SGB together with Juanda International Airport (the third busiest airport in Indonesia) at Surabaya, provided beverage products at the airport's Vaccination Centre. To spread goodness and positivity, SGB provides support for the community such as delivering aid packages to grave diggers for COVID-19 victims. Besides, SGB also supported local communities that were impacted by COVID-19 at several areas in Jakarta, Surabaya, and Bogor by collaborating with Ministry of Social Affairs of the Republic of Indonesia, and Indonesian Red Cross. Products such as disinfecting, vaccination, as well as testing and tracing kits were delivered to people undergoing self-isolation in health facilities and isolation centres in Jakarta such as Wisma Athlete, and to officers who were handling the pandemic. SGB also supported COVID-19 vaccination for children aged 6-12 years since it started in January 2022 in a few schools and remains committed to spreading goodness to the community.



Healthcare workers enjoy a refreshing drink delivered by SGB

### Frucor Suntory: Employee Volunteer Activities

We support our people to Make a Difference in their community by offering up to eight hours paid volunteer leave, called Make a Difference Leave.

We recognise the value of supporting our people who demonstrate a passion to give back to their community, charity or group of their choice –individually or as a team.

One of the leading benefits of our Make a Difference leave is that it is flexible. Volunteer hours can be used in a single day or be split across days, organisations, events or activities.



Our Australian team preparing meals for communities in need

# Pepsi Bottling Ventures LLC

Head Office	4141 ParkLake Ave., Suite 600, Raleigh, NC 27612, USA
Established	1999
Business activities	Production, Distribution and Sale of PepsiCo and PBV-owned beverage brands across the United States.
Website	<a href="https://www.pepsibottlingventures.com/">https://www.pepsibottlingventures.com/</a>



PBV's production facility in Winston-Salem, North Carolina

## Primary Sustainability Activities

### ■ Our Initiatives

#### Water

##### Water Use Optimization

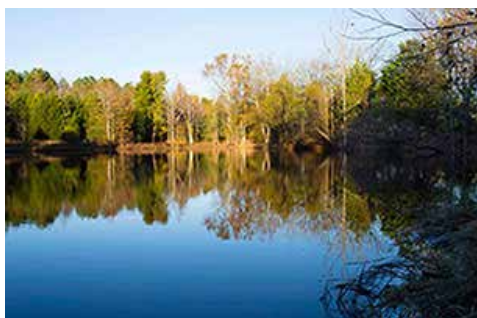
As the key ingredient in our products, using water responsibly is critical in our manufacturing process. Our highly sophisticated reverse osmosis (RO) water purification systems are designed to optimize purity and water conservation. Unused water from the RO systems and other manufacturing processes is recycled in secondary uses to maximize water conservation before being discharge. PBV continues to invest in advanced water purification systems and practices to minimize waste while maintaining the highest quality in our products.



Water line in PBV's Winston-Salem production facility

##### Land Conservation Designed to Protect the Water Quality of the upstream region of the Neuse River

The PBV headquarters factory is located in Upper Neuse River region in central North Carolina. The Upper Neuse River region provides utility water and drinking water to over 300,000 residents and many local businesses and organizations. The population in the Upper Neuse River region is rapidly increasing, which makes it extremely important to the health, economy, and quality of life of the people that live there. Since 2005, our company has cooperated with forest preservation organizations, local government and land-owners through the Upper Neuse Clean Water Initiative to preserve the soil and protect the water quality of the river. We also engage in initiatives that remove foreign species and restore habitats.



Upstream region of the Neuse River



Members of the North Carolina Youth Conservation Corps, a summer program which is supported through PBV's annual donation to the Conservation Trust of North Carolina

**Adopting vehicles and a delivery system that contribute to energy conservation and CO<sub>2</sub> reduction**

In 2011, PBV was the first Pepsi bottler in the U.S. to install an automated order picking system using CoolLift pallets in combination with specialized lift gate trailers. The system reduces delivery time and improves ergonomics for delivery personnel. Delivery routes are dynamically routed daily to reduce travel time and fuel consumption. Hybrid and fuel-efficient vehicles continue to grow and now make up over 50% of our sales support fleet.



Hybrid sedan used by PBV's sales team



Delivery trucks staged at distribution facility in St. Pauls, North Carolina

**Reduce - Self-manufacturing PET Bottles**

In 2012, PBV eliminated the practice of purchasing and transporting PET bottles and started manufacturing them at its North Carolina facilities. In 2020, PBV further expanded its manufacturing of PET packaging material by introducing injection molding of preforms – the process of turning plastic molding into a usable bottle. The combination of self-manufacturing PET bottles and preforms allows PBV to reduce the incoming truck deliveries of PET packaging materials by 30 to 1. Further, the self-manufacturing process allows PBV to reduce PET bottle weights on average by 20%. The new bottles incorporate 10% recycled plastic. PBV's new manufacturing equipment is 20% more energy efficient than the old systems used before self-manufacturing.



(left) Self-manufacturing PET bottles at our facility in Garner, N.C. (right) Injection molding machine

## Containers and Packaging

### Reuse & Recycle – Pallet Reusage & Plastic Cases

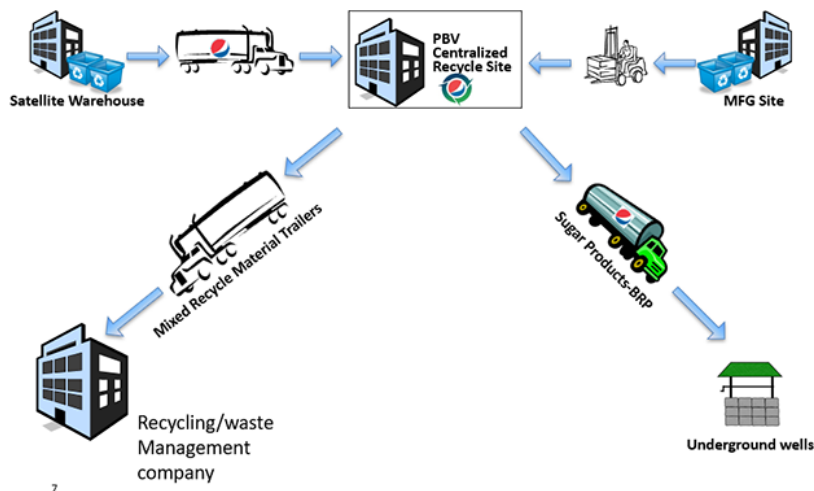
99% of our plastic and wood pallets are reused multiple times. Our plastic cases also lasts for years and eliminates corrugated board and wood from landfills. Damaged units are returned to our facilities and recycled into new cases and pallets. PBV also uses recyclable shrink film on other products to reduce secondary packaging.



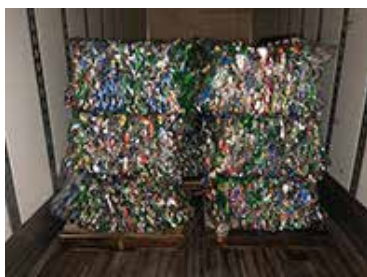
Distribution crates stored in Garner, N.C.

### Centralized Recycling Centers - Recycle

PBV manufacturing facilities act as centralized recycling centers. Corrugated board, stretch film, metal, and PET are collected and transported to these centralized facilities. Out-of-date product returned from customers is crushed and the recycled packaging is sold. Additionally, our fleet garages recycle old vehicles, waste oil, batteries, and tires. As a result, PBV achieved a recycle rate of 90% of its total waste in 2020.



PBV Recycling Path



Recycling bales ready for shipment from Garner distribution facility



Recycling bales entering production process at Unifi warehouse. PBV partners with Unifi for the processing of recycling materials



## Health

### Supporting Healthy Diets

As one of many initiatives aimed at improving the nutritional balance of beverages in our customers' diets, PBV sells a variety of healthy drinks that contribute to the well-being of customers. Customers can also obtain information about the nutritional composition of our products from PepsiCo's website:

## Human Rights

### Creating a healthy and lively workplace

To maintain employee health, our Safety and Wellness Department provides guidance on how to be a healthy workforce. All of our employees are encouraged to have annual physical examinations. We provide annual influenza vaccinations free of charge for employees and spouses. Annual Safety Day events occur at selected facilities, where we bring in local hospital and wellness professionals to instruct on such topics as proper hydration and heart health. Automated External Defibrillators have been installed at all facilities and training is provided to selected employees on Basic First Aid and CPR. "Fresh Fruit Friday" is held once a month in all facilities, to promote healthy breakfast and snack choices.

In addition, to ensure the overall organizational health, we conduct employee opinion surveys every other year. This allows the views of employees to be heard and creates a venue for discussions and changes to take place in our organization.

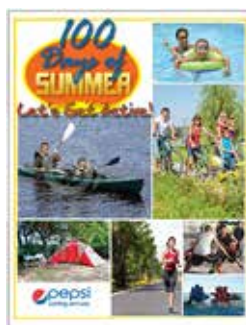
Biometric testing has taken place at selected facilities based on employee population. Screenings help provide our employees with the knowledge and awareness of their current health and well-being. Employees are encouraged to participate, so they may have a better understanding of their health status, and consult a primary care physician if results need to be modified. Preventive wellness has always been a primary focus of PBV, especially when it comes to the health and safety of our employees.



Fresh Fruit Friday at Pepsi Bottling Ventures



Biometric screening with employees



Marketing materials encouraging healthy lifestyles for PBV employees

The Industrial Athlete Program has great success across our Eastern Division. Like several other companies that have produced a similar program (UPS, Boeing, Volkswagen, to name a few), PBV has incorporated the Industrial Athlete Program to reduce the risk of injuries to our employees on the job. Stretching, physical therapy self-massage techniques for pain management, and proper ergonomic lifting techniques while handling product, are some of the key components of this program.



Marketing materials encouraging healthy lifestyles for PBV employees

Workplace safety is something PBV takes very seriously. In order to keep “Safety First”, we schedule Safety Day events at many of our facilities. Activities during a safety day range from instructor lead training (Highway Patrol) to hands-on exercises (fire extinguisher demonstrations, forklift rodeo etc...). Conducting Safety Day events are a fun way to teach workers best practices for a productive and safe work environment.

## Enriching Life

### Support for areas affected by natural disaster

PBV supplies bottled water to the victims of natural disasters and provides significant financial assistance to relief organizations such as the Red Cross.

### Activities rooted in the local community



Specialty truck wrap promoting the PBV/Kay Yow Cancer Fund partnership

## Quality Initiatives

### Quality Management

To maximize quality control efforts and provide safe & high-quality products, Pepsi Bottling Ventures (PBV) observes both the quality standards shared throughout PepsiCo and the standards unique to PBV. We have also implemented AIB International’s GMP Audit system for food safety\*<sup>1</sup>. Moreover, we have obtained the Global Food Safety Initiative (GFSI) FSSC-22000 audit scheme\*<sup>2</sup> certifications for food safety.

\*1 A food safety system that stresses Good Manufacturing Practices (GMP), which are guidelines on practices that must be adopted in order to manufacture food that is safe.

\*2 Food Safety System Certification 22000 (FSSC-22000) - GFSI Audit Scheme that combines the ISO22000 standard and the ISO/TS22002 standard (formerly PAS-220) that specifies the requirements for prerequisite programs and food safety systems to assist in controlling food safety risks in food manufacturing processes.

# Beam Suntory Inc.

Head Office	222 W. Merchandise Mart Plaza, Chicago, IL 60654 USA
Established	May 2014 (November 1966 as Jim B. Beam)
Business Activities	Production and sale of bourbon whiskey and other premium spirits
Website	<a href="http://www.beamsuntory.com/">http://www.beamsuntory.com/</a>



## Company Overview and Philosophy

As a world leader in premium spirits, we have made long-term commitments to sustainability across every facet of our value chain, from seed to sip – a program known as Proof Positive. Our commitments to nature, consumers, and communities are aligned to the United Nations’ Sustainable Development Goals (SDGs). They aim to create a more sustainable and equitable future for Beam Suntory and all our stakeholders.



As we continue progressing our Proof Positive commitment, we will disclose progress against our targets each year. We launched our sustainability report, reflecting the latest in our strategy and progress.

[Click here for details of our strategy and progress.](#)

# Château Lagrange S.A.S.

Head Office	33250, Saint-Julien Beychevelle, France
Established	December 15, 1983
Business activities	Production and sales of wines
Website	<a href="http://www.chateau-lagrange.com">http://www.chateau-lagrange.com</a>



## Company Overview and Philosophy

### ■ Excellence

Château Lagrange has long contributed to the development of "lifestyle culture" through the production of high quality wines. According to our records, this history goes back to at least 1631. Needless to say, quality wine is a true gift of nature, thanks to what we call terroir, a term used in the wine industry to refer to environmental factors including soil that can influence the quality of the wine. After joining the Suntory Group in 1983, we embraced the group philosophy, "To Create Harmony with People and Nature." In order to embody this, we always strive to produce one of the world's finest wines while respecting environmentally friendly production processes, from vine care to bottling.



## ■ Quality Management

### Focusing on quality management and product safety

We believe that there are two aspects to “quality”. One is the quality of the wine itself and the second is quality management in production processes. In terms of the quality of the wine, to ensure our vision of excellence and share that vision with our customers throughout the world, we use integrative farming techniques to produce truly excellent wines. We take meticulous care of each vineyard to let the grapes mature in an optimal manner and to draw out the best characteristics of the locality of the vineyard and the variety of grape. We fully engage in cultivation with reduced agricultural chemicals in which we only use the minimum amount of agricultural chemicals required at vineyards for the health of our customers.



Second is the quality management of manufacturing processes. Château Lagrange conducts quality management based on the Suntory Group’s Quality Policy “All for the Quality,” Quality Management Rules and Quality Standards throughout its process from cultivating grapes to fermentation, bottling, and shipping to ensure thorough quality control.



Comprehensive Quality Management

### Better product analysis and traceability

At Château Lagrange, we have great respect for the traditional sales system unique to fine Bordeaux wines, the Place de Bordeaux. In this system, wine merchants purchase wines mainly during the En Primeur (Futures) offer period in particular. It makes it difficult to maintain traceability of wines and attain direct responses from customers as products are pass from merchants to customers. Therefore, to make our products more traceable, we have introduced code numbers on bottle cap seals. Our products undergo a wide variety of product analyses during the manufacturing process and records are kept of the results. We inspect the materials used in all wines, corks, bottles, labels, and cases, and record the results along with these code numbers so that we can trace the history of every bottle of wine we produce.



## ■ Relations with Customers

### Interacting with Customers and Partners

The En Primeur (Futures) system unique to Bordeaux makes it difficult for producers to have direct contact with consumers. However, wine merchants organize many wine tasting events all over the world, allowing us to directly communicate with wine lovers. Maintaining an excellent relationship with our partners—around 120 wine merchants in Bordeaux—allows us to use a worldwide promotional network to deliver wine to our customers around the globe.



Interacting with Partners

## Visitors

We welcome about 7,000 visitors every year. Visits are on appointment bases and oenologists, sommeliers, chefs, engineering and business school personnel, wine connoisseurs, and wine writers who come for tours and wine tastings. We welcome not only professionals but anyone who loves wine to see the Bordeaux Grand Cru Wine making process while touring the vineyard, fermentation facilities and the warehousing of our aging barrels.



Visitors

## Primary CSR Activities

Water 

### Amount of water usage reduced

Château Lagrange has been working to protect our water resources by determining how much water we use, using it better, and engaging in rigorous conservation efforts.

CO<sub>2</sub> 

### Reducing CO<sub>2</sub> emissions to help combat global warming

Château Lagrange S.A.S. is one of five environmentally-friendly wineries in France that began measuring the CO<sub>2</sub> emissions. We always strive to revise the production process to reduce greenhouse gas emissions. Moreover, 800 m<sup>2</sup> of solar panels installed in 2019 supplies about 15% of power used at the fermentation facility.



New solar panels installed on the roofs of fermentation facilities

### ISO14001 and HVE certification by the French Ministry of Agriculture

Château Lagrange received Terra Vitis certification for ecological integrated agriculture in 2005. We have furthered our activities and received ISO 14001 Environmental management system standard and the highest Level 3 in High Environmental Value (HVE) certification from the French Ministry of Agriculture in 2017. These certifications require compliance as annual audit for detailed and strict standards regarding biodiversity, plant disease and pest control measures, fertilizer and irrigation management, etc. These certify that we are producing high-quality grapes in a way that protect the environment and health of the workers as well as in a biologically sustainable method.

We are currently cultivating grapes using organic farming methods on a roughly 30ha area of vineyard are comparing status with area that has received HVE level 3 certification until this today.



ISO14001 certification



Highest Level 3 High Environmental Value (HVE) certification from the French Ministry of Agriculture



HVE logo

## Preservation of Biodiversity

In a survey conducted in 2020, we found 64 species of plants and 54 species of birds in our property. After the survey, we have formulated a five-year plan to further nurture the biodiversity and are carrying out the plan. We plan to plant more trees, create more hedges and new waterhole in our premises. Château Lagrange cannot exist nor grow without the bounties of nature. As such, we respect and thank nature while pursuing a future which nature, wine, and people can coexist.



## Containers and Packaging

### Promoting reuse and recycling of materials

Château Lagrange is actively using recycled materials for its containers and packaging. In 2021, we began sales on wines in cartons for transport made from recycled materials along with traditional wooden cases. We are contributing to the reduction of GHG emissions during transport through reducing the weight of packaging.



## Human Rights

### ■ Relationship with Employees

#### Guaranteeing safety and staying healthy

We regularly review guidelines on health and safety and share information to ensure the safety of our employees. Furthermore, we have begun using power assist suits at vineyards and during production and shipping to reduce the burden.



Introduction of power assist suit



## ■ Relations with the Local Community

### Public relations activities

Château Lagrange has a dedicated public relations staff who organize and participate in events attended by various organizations, journalists, sommeliers, and wine schools, helping them to understand the secrets of our terroir and our pursuit of quality.



### Actively involved in the local community

Providing donations to local sporting event charity organizations, and hosting music festivals in the château grounds are some of the ways that Château Lagrange is actively involved in the local community.



Music festival at Lagrange

# Weingut Robert Weil

Head Office	Mühlberg 5D-65399 Kiedrich Rheingau, Germany
Established	1868 (invested in by the Suntory Group in 1988)
Business activities	Production and sales of wines
Website	<a href="https://www.weingut-robert-weil.com">https://www.weingut-robert-weil.com</a>



## Company Overview and Philosophy

### ■ Dedicated to the highest quality standards

Since its founding in 1868, Weingut Robert Weil has pursued a philosophy toward high-quality. This is a tradition that has lasted for over 140 years, and has resulted in acclaim from even the German Emperor Wilhelm II. The consistent focus on the Riesling grape [100% Riesling – 100% Estate Bootled – 100% Riesling Culture Vineyards ] and adhered to a strict, quality-oriented management in the Kiedricher hillside sites vineyard – such as stringent pruning to control yields and selective harvesting by hand – and in the cellar, where the wines are vinified as gently as possible in stainless steel tanks and traditional casks guarantees the production of highly-esteemed wines.



Numerous observers of the international wine world regard Weingut Robert Weil, with its “château character” , as a worldwide symbol of German Riesling culture.

### Providing the highest quality with safety

Building a system that allows us to create a safe product that our customers can enjoy with peace of mind is one of Weingut Robert Weil's top priorities. We are members of the VDP (Verband Deutscher Prädikatsweingüter), an association of top quality wine producers who self-impose harsh standards for product quality, particularly during grape cultivation and fermentation.



## Company Overview and Philosophy

### Water

#### ■ Environmental Efforts

Our vineyards are engaged in grape cultivation using environmentally-friendly methods. We only use organic fertilizers and restrict all use of herbicides. In addition, we protect the qualities of our grapes from insect pests and diseases. We are also working to protect the environment in other ways, i.e. saving water resources.

## Containers packaging

Our packaging materials like glass, cartons, duct tape or foil are recyclable.

## Human Rights

### ■ Relations with Business Partners

When locating sources for such items as packaging materials, warehouse refits, and bottling line equipment, we always use a fair and impartial bidding process while still maintaining our utmost priority on product quality and safety.

### ■ Relationship with Employees

#### Supporting various styles of work

As a company, we are a small winery with 30 employees. This makes it all more important that we provide a comfortable workplace that promotes the long-term employment of those who represent the accumulation of our knowledge of winemaking. We are promoting maternity and child raising leave for our employees (several months of paid leave as stipulated by German labor laws).



Employees of Weingut Robert Weil

#### Supporting career development

We actively help our employees to develop new skills to help further their careers. We attach great importance of education and trainings for our employees.

## Enriching Life

#### Contribution activities to the local community

Weingut Robert Weil stays in close contact with the local authorities, the wine authorities and other wineries in the Rheingau area to be actively involved in local activities.



# Toyota Suntory Midorie (Shanghai) Co., Ltd.

Head Office	Rm.2304, Metro Plaza, No.555 Loushanguan Rd, Changning District, Shanghai, China 200051
Established	April 2012
Capital	US\$ 196,000
Sales	¥229 million (FY2021)
Employees	7
Business Description	Manufacturing, sales and maintenance of environmental greening systems including Hana no Kabe, Mori no Kabe, and Midorie Design Manufacturing and sales of ozone purifying paint "Ozoeater" products
Website	<a href="http://www.suntory-midorie.com/en/">http://www.suntory-midorie.com/en/</a>



A Hana no Kabe (literally "Flower Wall" ) that is among the largest in Japan (Kyoto)

## Company Overview and Philosophy

### ■ TOYOTA and SUNTORY—Activities of both companies to date

- Toyota began basic research on biotechnology in 1989. In 2001, the Biotechnology & Afforestation Business Department was established as a specialized organization, and since then has promoted bio/greening projects such as afforestation in Australia, urban greening, flower production, and livestock biomass. In the field of urban greening in particular, TOYOTA has released numerous greening products that contribute to the global environment, such as Smart Green Parking and Smart Green Wall.
- In 2008, Suntory established the Environmental Greening Department and entered the environmental greening business. Based on the concept of "turning the city green," Suntory Midorie Ltd. was spun off as an independent company in April 2009. With its revolutionary indoor/outdoor greening system using Pafcal, a new soil replacement material developed independently, Suntory Midorie continued to offer the creation of comfortable spaces with greenery, receiving high acclaim in China, including being adopted for use in Shanghai World Expo 2010.
- In April 2012, the two companies established Toyota Suntory Midorie (Shanghai) Co., Ltd. in Shanghai, China. Since then, we have been pursuing environmental greening projects in 13 countries and regions, mainly in China.

### ■ Green to Blue — The meaning of green, the value of green, green for change

Midorie's urban greening work began with the development of the new soil replacement material Pafcal. By combining this new soil with the Hana no Kabe wall greening system, we have created a structure that allows city dwellers to join in the creation of a perpetually green environment. From greenery that is simply placed or simply displayed to verdure that can be freely designed. We believe it is through urban greening that we can make our best contribution to this blue planet.

### ■ Ozo eater — Clean the air

Ozo eater is a paint developed by Toyota Motor Corporation and Aisin Chemical Co., Ltd. that decomposes ozone, a harmful substance, into oxygen, and has been confirmed to have high air purification performance. Toyota Suntory Midorie (Shanghai) Co., Ltd. began manufacturing and selling products that utilize this paint in 2022. We have started working on a new business that contributes to the environment.

## Primary CSR Activities

### ■ Promoting Sustainability Management

Our business itself contributes to the global environment and overlaps with the Group's corporate philosophy, "To Create Harmony with People and Nature." We therefore believe that the key to sustainable management through our core business lies in expanding and growing our business operations.

Regarding corporate governance, we strive for prompt decision-making and business execution through management meetings, and have established a system for prior prevention and quick response to the various risks involved in management. In addition, we promote thorough awareness of compliance based on the Group's Code of Business Ethics and promote compliance management among all employees.

## ■ Relations with Customers

### Offering the best greening plans for wall and indoor greening

While developing greening materials suitable for plant growth based on the new soil replacement material Pafcal, Toyota Suntary Midorie (Shanghai) proposes optimal greening plans for wall and indoor greening with a wide variety of planting variations.



A Lexus showroom in China

## ■ Initiatives for the Suntary Sustainability Vision

CO<sub>2</sub> 

### CO<sub>2</sub> Reduction Effect

In the 10 years since its establishment in 2012, the company has installed a total of 2,500 wall greening projects covering more than 50,000m<sup>2</sup>, reducing CO<sub>2</sub> emissions by more than 170 tons per year.

Health 

### Health & Spiritual Well-being

In addition to its air purification, sound dampening and humidity maintenance effects, wall greening also contributes to people's health and mental well-being by promoting relaxation and comfort.

Human Rights 

### Human Resource Development

We train and support our employees in maximizing their individual capabilities in the workplace so that each one can develop their own capabilities in their own life planning and apply them to the company's business. We also operate a personnel system that rewards employees for their efforts through fair evaluation and clear-cut performance-based treatment.

## ■ Initiatives for Business Partners

### Information and Opinion Exchange with Domestic and Foreign Business Partners

Toyota Suntory Midorie (Shanghai) actively communicates with the suppliers from which we procure materials and seedlings. Regarding materials, we confirm that quality standards are being adhered to at production sites, while exchanging information and opinions.

We also communicate regularly with our distributors, who are responsible for on-site installation and sales, to improve quality when providing products and services to our customers.

## ■ Other Environmental Initiatives

### Air Purification Initiatives

Toyota Motor Corp. and Aisin Chemical Co. jointly developed Ozoater, an ozone purifying paint that semi-permanently decomposes ozone (O<sub>3</sub>), the second most potent greenhouse gas after CO<sub>2</sub> and CH<sub>4</sub> (methane), directly into oxygen. In China and elsewhere in Asia, where ozone pollution is becoming an increasingly serious problem, Ozoater Pafcal, made by applying Ozoater to Pafcal, has been commercialized as an air-purifying product. Ozoater is also more than 99% effective in eliminating odors caused by ammonia and hydrogen sulfide. We are working to develop commercial products with Ozoater to make it available for use in various situations.

### Activities to Start a Green Flame in the Heart

Wall greening has been introduced in the offices and plants of both Toyota Group and Suntory Group in order to foster environmental awareness and eco-mindedness among employees, among whom Pafcal with seedlings has been distributed as well. In addition to the healing and vitality from which each person benefits while growing plants, this distribution of Pafcal with seedlings has also elicited many positive comments noting increased awareness of environmental issues.



Activities to Start a Green Flame in the Heart

### Biodiversity Initiatives

We used a Hana no Kabe installation with a total area of 1,120 m<sup>2</sup> as the greening system for the walls of the Yodobashi Camera Multimedia Kyoto facility, which opened in November 2010. This project was planned and constructed with an ecological perspective in mind, mainly using plants that grow in the Tadasunomori Forest in Kyoto.

In addition, GAC Toyota Motor Co., Ltd. in Guangzhou, China, built a biotope with local plants in the park in 2020 in order to focus on protecting local biodiversity. Toyota Suntory Midorie (Shanghai) Co., Ltd. is also participating in this construction project as part of its efforts with Toyota Motor Corporation.

# Respect for Human Rights

The Suntory Group considers respect for human rights of all stakeholders a highly important issue and reflects it in its Sustainability Vision. We have also formulated the Suntory Group Human Rights Policy to further strengthen our commitment and promote human rights due diligence and engage employees and suppliers.

## Human Rights Due Diligence

### ■ Organization to Promote Human Rights Due Diligence

The Suntory Group promotes respect for human rights globally through due diligence processes under the following organization.

#### Organization and Processes

The Human Rights Working Team, which is responsible for promoting human rights due diligence, formulates strategies and confirms the progress of ongoing activities through regular meetings, reporting to the Global Sustainability Committee. This Committee addressed internal and supply chain human rights issues twice in 2021, (June and August). In this process, we consulted with external experts and human rights NPOs, and took their opinions into consideration in our internal discussions for both the Human Rights Working Team as well as the Global Sustainability Committee. The responsibility for in-house and supply chain day-to-day operations lies with the Deputy Senior General Manager of the Sustainability Management Division and Deputy Senior General Manager of the Supply Chain Division. Regarding the day-to-day resources allocated, the Human Rights Team (section manager + staff) within the Sustainability Management Division, as well as the Sustainability Promotion Group (full time department manager + section manager + staff) within the Supply Chain Division are in charge of day-to-day activities.

#### Board of Directors Supervision

The Sustainability Officer is responsible for human rights, and her/his evaluation includes performance related to human rights due diligence, providing thus an additional incentive to further promote activities on this area (forced labor and child labor are particularly important issues).

Similarly, within the Sustainability Management Division, the evaluation of senior managers in charge of human rights includes activities on human rights due diligence, providing thus an additional incentive to further promote activities on this area.

#### Integration with Corporate Risk Management

We assess human rights risks as a top-priority issue in our corporate management in cooperation with the Global Risk Management Committee, which is in charge of risk management for the entire Group, and regularly engage in information sharing and discussions about corporate risk management. We also collaborate and communicate with outside experts, such as lawyers specializing in human rights.

The discussions of the Global Sustainability Committee and Global Risk Management Committee are reported to the Board of Directors as appropriate. In addition, we respond to Japanese traditional human rights issues through our Human Rights Education Promotion Committee, which consists of a central committee and Human Rights Promotion Committee members from each business location.



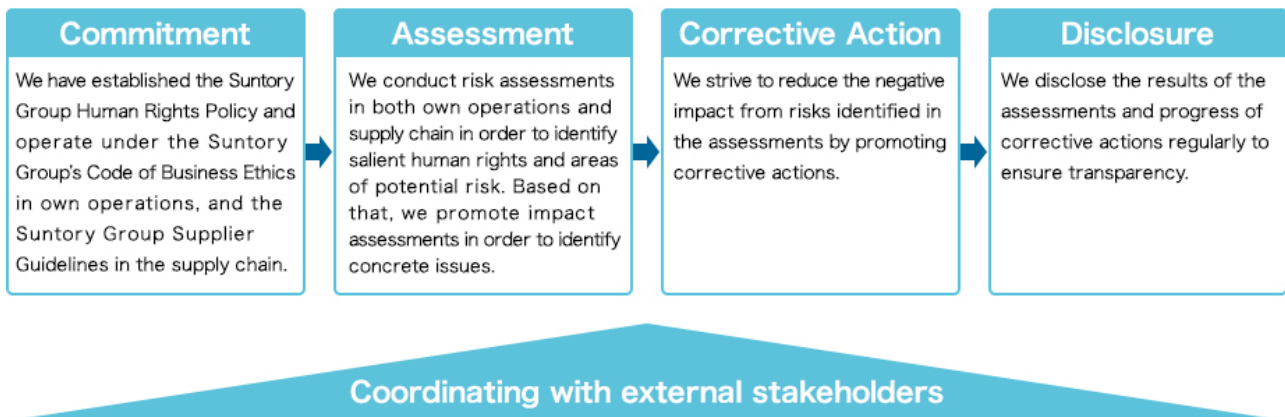
## ■ Organization Chart



## ■ Due Diligence Process

### Suntory Group's Human Rights Due Diligence

Based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) as a framework for implementation, we comply with relevant laws and regulations in each country or region where we operate, and conduct human rights due diligence in own operations and supply chain under the following process.



## ■ Identifying Stakeholders

We believe that identifying and engaging stakeholders is important when promoting human rights due diligence. Stakeholders mentioned here include rightholders, as well as other related stakeholders (NGOs / NPOs, experts, etc.). We have discussed with external human rights experts to identify our key stakeholders in consideration of our business structure. These key stakeholders are:

- (1) Our employees, outsourced manufacturing employees, and the local community around the plants.
- (2) Our business partners' employees (suppliers, farms), the local community around our business partners' plants and agricultural fields.
- (3) Investors, benchmarking organizations
- (4) NGOs, experts
- (5) Customers

## Commitment

### ■ Formulation of the Suntory Group Human Rights Policy

The Suntory Group establishes a policy on human rights and promotes its compliance. We have established Suntory Group's Code of Business Ethics as an internal policy and Supplier Guidelines as a policy in the supply chain.

#### Suntory Group Human Rights Policy

The Suntory Group's mission is "to Create Harmony with People and Nature," while enriching people's lives, contributing to the coexistence of society and nature, and helping realize a thriving society.

The Suntory Group recognizes that it may directly or indirectly affect human rights in the course of its business activities, and in order to respect the human rights of all people involved in its business activities, the Suntory Group Human Rights Policy (Hereafter, this policy) set here will promote our efforts to respect human rights.

#### 1. Basic thinking

As a member of society, the Suntory Group recognizes the importance of respecting human rights in all business activities. Based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) as a framework for implementation, we comply with relevant laws and regulations in each country or region where we operate, respect international standards of conduct and fully respect the following international human rights principles. We also support and respect the 10 principles of the UN Global Compact as a Global Compact signatory company.

- United Nations (UN) International Bill of Human Rights
- OECD Guidelines for Multinational Enterprises
- ILO Tripartite declaration of principles concerning multinational enterprises and social policy and ILO Declaration on Fundamental Principles and Rights at Work

#### 2. Scope

The Suntory Group applies this policy to all Suntory Group executives and employees. We also require all business partners involved in our products and services to understand and comply with this policy.

#### 3. Responsibility for respect for human rights

The Suntory Group strives not to violate the human rights of anyone involved in its business activities, and takes appropriate measures to correct any negative impact on human rights, thereby taking responsibility for respect for human rights to build a sustainable supply chain.

#### 4. Due Diligence & Remedy

The Suntory Group will establish a human rights due diligence system, identify its potential negative impact on human rights, and work to prevent and mitigate such negative effects. In addition, if it becomes clear that any of its business activities have directly caused negative impacts on human rights, or if indirect effects through business relations become clear, The Suntory Group will commence dialogue based on international standards through appropriate procedures.

## **5. Disclosure**

The Suntory Group will disclose the progress and results of its efforts to respect human rights on its website, etc.

## **6. Dialogue**

In the course of implementing this policy, the Suntory Group takes the advice of independent experts, and will diligently engage in dialogue and consultation with stakeholders.

## **7. Education and training**

The Suntory Group provides appropriate education and training to all officers and employees so that this policy will be integrated into all business activities and implemented effectively.

## **8. Officer in charge**

The Suntory Group will clarify the officer responsible for the implementation of this policy and ensure its effectiveness.

## **9. Important themes regarding human rights**

The Suntory Group aims to realize a corporate group that is rewarding, respects diversity and human rights, and positions the following items based on the Suntory Group Code of Business Ethics as key themes in human rights compliance.

### **● Child Labor and Forced Labor**

We strictly prohibit the use of child labor or other illegal labor practices in any of our corporate activities.

### **● Discrimination and Harassment**

We will respect the rights and personalities of each individual and will eliminate any and all discrimination and harassment based on reasons from ethnicity, religion, gender, sexual orientation, age, nationality, language or disability to build a workplace where everyone is treated fairly. In the event a violation to human rights is discovered, Suntory will execute the appropriate response immediately and make sure to prevent recurrence while protecting the privacy of the concerned parties.

### **● Freedom of Association**

We will respect the basic rights of our employees to engage in freedom of association and collective bargaining.

### **● Employee-friendly Workplaces**

We will promote work styles that find balance between the professional and private lives of our employees while building a workplace that allows each person to work safely, securely and with enthusiasm in ways that are healthy both mentally and physically.

### **● Open-minded Workplaces**

We will foster an open-minded workplace that respects one another's beliefs, values, and diversity and where each and every employee can candidly express and share their views. We will also build cooperative relationships founded with unity through active communication throughout the Suntory Group.

### **● Perseverance and Growth**

We will realize the growth of individuals by fostering a feeling of pride and responsibility toward work in each and every individual so that they may independently persevere in achieving their goals.

This policy has been approved by the Board of Directors of Suntory Holdings

Wednesday, July 10, 2019

In conducting our business activities, we believe it is crucial to be aware particularly of the human rights of vulnerable groups of people (women, children, migrant workers, etc.) in our own operations and supply chain. As a corporate signatory to the UN Global Compact, we promote human rights due diligence with awareness of global frameworks such as the Women's Empowerment Principles, the Children's Rights and Business Principles, and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. Furthermore, we also expect Suntory Group's suppliers to the same and respect the human rights of people in circumstances of vulnerability.

We also consider it crucial to protect land tenure, water access rights, and the rights of indigenous peoples. We will therefore promote human rights due diligence taking into account global frameworks such as the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security (VGGT), the IFC Format Standard, and ILO Indigenous and Tribal Peoples Convention (No. 169). Furthermore, we expect the same respect from the Suntory Group's suppliers, including respect for ILO labor standards.

Additionally, we understand the important role played by human rights defenders, and regard them as stakeholders with whom we can collaborate in promoting human rights due diligence. We do not tolerate any discrimination or violence of any kind toward human rights defenders, and we require the same commitment from our suppliers.

## Assessment

### ■ Identifying Human Rights Risks

With the establishment of the Suntory Group Human Rights Policy, we identified six important themes regarding human rights in our global business activities listed in the above policy, in cooperation with external experts. The process involved understanding the characteristics of our own plants and our supply chain, particularly the agricultural products from which our products are made, while also leveraging information from a variety of external human rights-related reports. As we move forward, in formulating an action plan we will continue to assess the risks in the own operations and supply chain focusing on these six themes.

We held expert dialogues in 2019 and 2020 with representatives from global organizations such as Human Rights NPOs (CRT), the IHRB, the Danish Institute for Human Rights and the UNDP to discuss about our human rights risks, and use this information on our human rights due diligence strategy. For example, in response to the growing risk in the global labor market of migrant workers being subject to forced labor, we were advised to identify this risk in Japan as well. This led us to conduct third-party interviews of migrant workers (foreign technical intern trainees) in our Japan group company Izutsu Maisen at the end of 2021.

In addition to the above efforts, we further enhance our risk identification process by using risk data from the global consulting firm Verisk Maplecroft.

### ■ Assessing Human Rights Risks

For the human rights risks identified by the human rights NPOs, experts, and global data sources mentioned above, a specific risk assessment is made through Sedex's SAQ and risk assessment tools, SMETA information, and third-party interviews. These assessments include consideration of the geographic, economic, and social perspectives of the different regions and rightholders that are prone to specific human rights risks. Based on this information, we promote evaluation and corrective actions starting from high risk areas/issues (i.e., corrective actions on key findings at suppliers, interviews with migrant workers, etc.).

## Risk Assessment

### ● Internal Operations

In order to promote risk assessment as a part of our human rights due diligence process, we have conducted a potential risk assessment in collaboration with Verisk Maplecroft, a global risk consulting company, for the countries in which our 90 factories globally are located, using general country and industry data.

#### Potential risk assessment results (overall\*):

Low risk:	61 factories	68%
Mid risk:	21 factories	23%
High risk:	8 factories	9%
Very high risk:	0 factories	0%

\*Covered human rights risks: child labor, forced labor, working hours, fair wages and welfare, discrimination, harassment, freedom of association and right to collective bargaining, access to remedy, health and safety

Of these, India, Vietnam, Mexico, Thailand, and Malaysia were countries with high risk of child and forced labor where we have plants.

From now on, we will carry out individual evaluations on the factories located in high-risk areas.

### ● Supply Chain

In order to promote risk assessment as a part of our human rights due diligence process, we have conducted a potential risk assessment in collaboration with Verisk Maplecroft, a global risk consulting company, for our major ingredients using general country and industry data. (major ingredients × country combinations for a total of 124 patterns)

#### Potential risk assessment results (overall\*):

Low risk:	21 items	17%
Mid risk:	58 items	47%
High risk:	37 items	30%
Very high risk:	8 items	6%

\*Covered human rights risks: child labor, forced labor, working hours, fair wages and welfare, discrimination, harassment, freedom of association and right to collective bargaining, access to remedy, health and safety

Of these, following were items that have very high risks and impact (have high sales volume) on child and forced labor.

Forced labor: coffee, oolong tea, ethanol, and sugar

Child labor: coffee and sugar

## Impact Assessment

### ● Own Operations

#### Impact Assessment at Own Plants

In the first half of 2022, we implemented Sedex in all of our 20 factories in Japan (beer business, spirits business, beverage business) and 6 spirits and beverage factories in India, Mexico, Vietnam, Thailand and Malaysia in order to visualize human rights risks and strengthen management at our own plants. We assessed the management capability toward potential risks in 4 categories: (1) labor practices, (2) health and safety, (3) business ethics, and (4) environment.

(Number of plants)

	Potential risks			Management capability		
	High	Medium	Low	High	Medium	Low
Japan	0	2	18	20	0	0
India	0	1	0	1	0	0
Mexico	0	1	0	1	0	0
Malaysia	0	1	0	0	1	0
Vietnam	0	1	0	1	0	0
Thailand	0	2	0	2	0	0

As shown in the figure above, of the 26 factories, 25 factories had "high" management capability, 1 factory had "medium" management capability, and no factory had "low" management capability toward the potential risks. Regarding forced labor and child labor, which we consider to be important human rights risks, for the factories located in India, Mexico, Vietnam, Thailand and Malaysia (high-risk countries), the data gathered did not show any actualized case of these risks:

- Child labor

There are no workers under the age of 15 or 18 years old, and therefore there seems to be no risk of child labor.

- Forced labor

We have confirmed that there are several migrant workers in one of our plants overseas. We are currently working to assess the situation.

For factories with lower management capability, we will continue to strengthen management of important human rights risks.

In the second half of 2022, we plan to expand Sedex to all remaining plants (spirits and beverages), aiming to cover all major global business plants, and continue human rights management from 2023 onwards.

### ● Supply Chain

The Suntory Group is working to promote activities for respecting human rights throughout the entire supply chain while linking to business partners by establishing the Basic Policy on Supply Chain Sustainability.

#### Impact Assessment by Sedex

We joined Sedex in June 2019, and since then we are engaging our suppliers to share information through Sedex by answering to the SAQ\*. These SAQs evaluate the potential social risks in the supply chain by focusing on child labor, forced labor and other human rights issues as well as considerations toward the work environment and occupational safety. As of November 2021, we have confirmed that over 1,000 manufacturing sites of approximately 650 major suppliers have joined the Sedex. We will continue to promote all major suppliers to join the Sedex. We will prioritize the strategy for each region based on the result of the risk assessment to formulate an action plan and promote corrective actions when needed.

\*SAQ:Self-Assessment Questionnaire

#### Impact Assessment Status

Suntory Group identifies potential and actualized risks using a risk assessment tool offered by Sedex. Specifically, we evaluate the ability to manage potential and actualized risks of the suppliers with SAQ. In addition, we also confirm actualized risks based on third-party audit information that can be checked on Sedex.

### Potential Risks of Suppliers (As of April 2022)

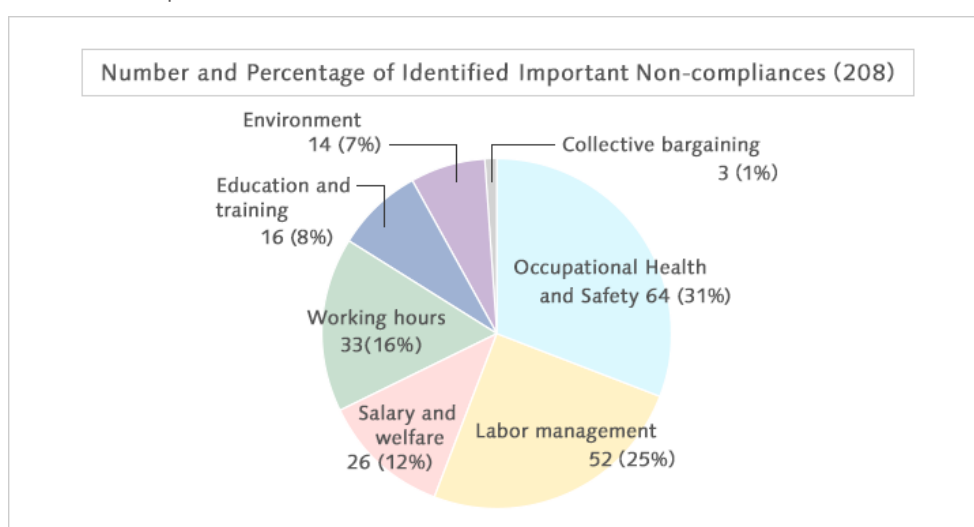
In the first half of 2022, we continued our risk assessments through Sedex, during which we obtained data for 1,094 manufacturing plants from suppliers worldwide (an increase of 26 from November 2021).

(Number of manufacturing sites/%)

	April 2022		Fluctuation	November 2021	
Low	245	22%	42	203	19%
Medium	636	58%	8	628	59%
High	73	7%	-9	82	8%
Waiting for answer	140	13%	-15	155	15%
Total	1094		26	1068	

### Actualized Risks of Suppliers (As of April 2022)

The total number of non-compliances identified was 208 (an increase of 28 from November 2021).



### Monitoring through Supplier Assessment Questionnaires

We also conduct sustainable procurement questionnaires targeting suppliers that have not joined Sedex. We examine not only our existing suppliers to identify those that are at high risk, but also assess potential new suppliers before we start business relationships.

In addition, the Suntory Group shares the Suntory Group Supplier Guidelines with our overseas Group companies and verifies initiatives toward sustainability at each company at the Global Procurement Conference in which our overseas Group companies participate.

### Conducting Human Rights Due Diligence Related to Migrant Workers

As advised in the dialogue with overseas experts and Caux Round Table Japan (CRT) in 2019, we are assessing the labor conditions of migrant workers including foreign technical intern trainees, which are a particularly vulnerable type of rightholders in Japan.

We engaged CRT and conducted third-party interviews (impact assessment) for human rights at the Tsukuba and Takatsu plants of Izutsu Maisen, a group company that hires foreign technical intern trainees, and interviewed them in 2021. Taking into consideration that all interviewees were foreigners and women, we identified particularly important human rights risks that could arise in their context, and conducted direct interviews based on these risks, in a way that allowed rightholders to freely express their opinions with total anonymity. As a result, CRT Executive Director Mr. Ishida commented that there are no human rights issues of particular concern as of now, and that a trusting relationship has been built in a family-like atmosphere. Aiming to further improve their workplace environment, we will carry out proactive communication and continue to maintain a proper plant management system.

## Corrective Action

As part of our efforts to promote corrective measures, if it becomes clear that Suntory Group business activities have directly caused negative impacts on human rights, or if indirect negative impact through business relations come to light or are suspected, the Suntory Group will take corrective measures (remedy) through dialogue with related parts, based on international standards and through appropriate procedures. Furthermore, we expect Suntory Group's suppliers to undertake corrective measures (remedy) as well. In order to implement corrective measures, we will also work with external organizations such as human rights experts (NPOs) and Sedex to engage suppliers regarding any issues discovered, and to work together on corrective steps.

### ■ Corrective Process (Remedy)

As stated in our Human Rights Policy, our key themes in human rights include child labor, forced labor, discrimination and harassment, freedom of association, and a good working environment (health and safety). We have identified numerous questions in the Sedex SAQ that relate to each of these key themes, and we use them for assessment and ongoing monitoring in our own plants and supply chain. We currently conduct continuous monitoring of our suppliers through Sedex, representing over 70% of our purchasing volume globally, and we strongly engage suppliers which we have been able to identify actualized risks. The monitoring process leverages also SMETA audit information on the supply chain, including interviews with local workers. In this way, we try to leverage the voices of rightholders.

Our remedy process using Sedex and SMETA information is as follows:

#### Cases of Potential Risk

- 1.Goal: to confirm that sufficient measures are taken toward avoiding potential risks.
- 2.Index: Sedex risk and management scores.
- 3.Timeframe: check the risk score and management capability score periodically (about once every six months), and confirm the status of the improvement activities of business partners.

#### Cases of Actualized Risk

- 1.Goal: bring actualized risks down to zero.
- 2.Index: key findings of third-party audit.
- 3.Timeframe: confirm within 6 months that the identified issues have been resolved.

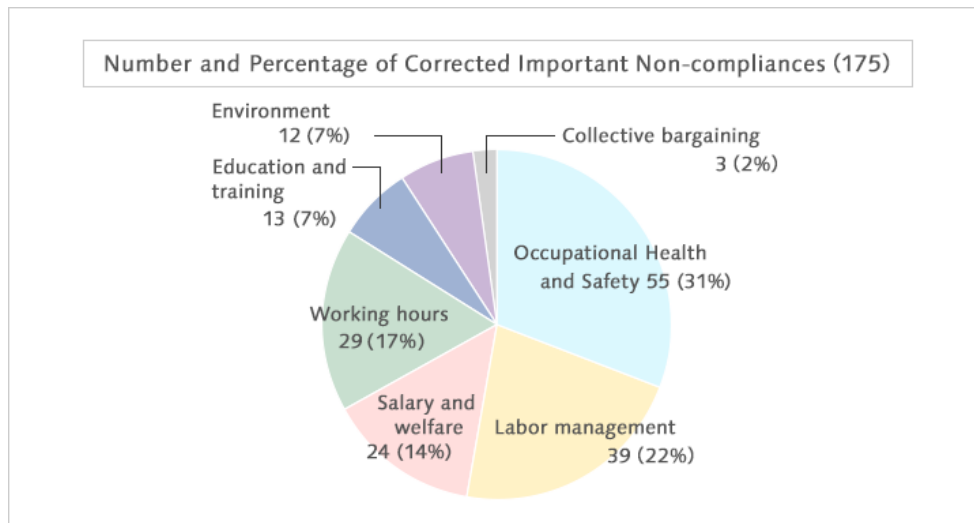
#### Potential Risks of Suppliers (As of April 2022)

Regarding the above-mentioned potential risks that can be confirmed in Sedex, we also assess the management capability of our supplier's manufacturing sites in respect to the potential risks. Based on that, we engage manufacturing sites, in particular sites with "high risk + low management capability" and work together to improve their management capability. As a result, from the start of these engagements with the suppliers in January 2021 to the end of April 2022, there were 158 manufacturing sites with at least 10% up to 50% improvement in their management capability (18% of the total of sites), which is an increase of 41 manufacturing sites since the end of November 2021. Going forward, we will continue to engage our suppliers and promote improvement activities.



### Actualized Risks of Suppliers (As of April 2022)

We communicate directly with suppliers regarding issues identified in Sedex by third-party audits, and we check that these issues are corrected within six months of having been pointed out. Of a total of 208 important non-compliances specified as of the end of April 2022, we confirmed that 175 have been corrected. We will continue to engage with suppliers on the remaining non-compliances as we move ahead with remedial actions.



More specifically, we have reviewed all Sedex SAQ responses regarding the following key human rights themes, and identified data indicating potential risks. At the same time, we have reviewed the findings of SMETA audits, to be check whether any potential risks have been actualized. In those cases, we engaged our suppliers and confirmed the status of the corrective actions taken.

#### ● Child Labor

We regard child labor as one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information. For example, we use the questions in Sedex to identify direct and indirect workers who may be considered underage workers (under 15). In addition, based on actual on-site audits conducted through SMETA, we confirmed that worker age verification is being performed properly, and corrective actions are being taken when issues become apparent.

A review of SAQ responses from approximately 1,000 manufacturing sites indicated that there was no child labor by those under the age of 15. At 5% of plants, there were workers of ages 16-17, which by itself is a legal working age on the countries where those workers were found. The findings of one SMETA audit also noted a 17-year-old worker, but we have confirmed that this was not a problem under local law.

4 instances of inadequate worker age records were also noted, but we have engaged the suppliers and confirmed that the recording methods have been corrected.

## ● **Forced Labor**

We consider forced labor to be one of the key human rights risks in supply chains and are strengthening management of suppliers through Sedex and SMETA information.

### 1) Recruitment fees

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 1% of the respondents had no initiatives to address the burden of recruitment fees on workers. In addition, 3% of the respondents indicated that the workers bear costs in some form. Two SMETA audit also found non-compliances related to the burden of recruitment fees on workers, but we confirmed that this has already been addressed by revising the supplier's internal regulations. Similarly, there were three findings regarding wage reductions, but we confirmed that there were no deductions that were problematic under local law.

### 2) Wages

A review of SAQ responses from approximately 1,000 supplier manufacturing sites showed that 8% of the responses indicated possible issues with overtime pay.

The review also showed lack of visibility regarding indirect employees' minimum wage. SMETA audit findings also included 21 non-compliances related to wages and 25 non-compliances related to the management of overtime. We have engaged our suppliers and confirmed that currently there are no confirmed cases of uncorrected wage issues (the issues found had been solved).

### 3) Freedom of movement

No risk information regarding freedom of movement was found in the SAQ responses or the SMETA audit.

## ● **Freedom of Association and Collective Bargaining**

We consider impediments to freedom of association and collective bargaining to be one of the key human rights risks in supply chains, and are strengthening management of suppliers through Sedex and SMETA information to prevent infringement of these rights. For example, we leverage questions in Sedex to check the presence of labor unions, as well as processes and organizations in which workers can participate and have their participation reflected in decision-making by the supplier company. In addition, we confirm through SMETA audit data whether the rights to freedom of association and collective bargaining are being protected, and engage in corrective actions when issues become apparent and are uncorrected.

On the point of whether processes, organizations, and arrangements were in place for workers to use and reflect in company decision making, the SAQ data indicated that 12% of supplier manufacturing sites did not have these mechanisms in place. In addition, data from the SMETA audit included three findings related to freedom of association and collective bargaining, but we have confirmed that corrections have already been made.

## ● **Health and Safety**

We regard health and safety to be one of the key human rights risks in supply chains, and we are strengthening management of our dealings with our suppliers through Sedex and SMETA information to promote their health and safety conditions. For example, we leverage questions in Sedex to check facts such as whether a health and safety policy is in place, whether there have been any serious work accidents, the numbers of participants in fire safety drills, and the supplier's existing efforts to enhance health and safety. We also analyze similar data through SMETA audits and engage in corrective actions when issues are apparent and uncorrected.

The SAQ data showed that 2% of production plants had more than 100 recorded accidents in the past 12 months, in which 1% reported more than 20 serious accidents. We will engage with these high-risk supplier manufacturing sites and work toward enhancing their occupational safety. Data from the SMETA audit also showed 64 non-compliances, with remedial actions having already been taken on 55 of them. We will continue to engage with suppliers on the remaining 9 issues for which corrective actions are still pending. Corrective actions for the health and safety risks found through the Sedex's SAQ answers and non-compliance by SMETA were shared with other suppliers to improve health and safety management.

### ● Land Rights

We are strengthening management of suppliers through Sedex information to identify human rights risks related to land rights. Specifically, we leverage questions in Sedex to determine whether the land on which a given supplier's production plant is sited was used as a residence before construction. The SAQ results showed that 1% of such land was used for residential buildings prior to conversion to an industrial site. We will engage with the suppliers to confirm whether there is a possibility that the conversion could have led to a violation of land rights.

### ● Water Access and Sanitation

We are strengthening management of suppliers through Sedex data to understand risks related to the water access and sanitation rights of local communities. For example, we leverage questions in Sedex to check various pollution risks (soil, rivers, etc.) from supplier operations, their water usage volumes, whether they manage wastewater, and management of water quality impacts on local areas. The SAQ results showed that 2% of the manufacturing plants were not managing quality of their wastewater. The SMETA audit data showed two non-compliances, one of which has already been corrected. For the other, we are working with the supplier to solve the issue.

### ● Women's Rights

We are strengthening management of suppliers through Sedex data to identify risks related to women's rights. For example, we leverage questions in Sedex to check the ratio of male to female workers, the ratio of female managers, whether anti-discrimination policies are in place, and rates of absenteeism and turnover among female workers. The SAQ data showed that 5% of manufacturing sites did not have separate washing facilities for men and women, 5% of manufacturing sites had a turnover rate among female workers of more than 50% during the previous year, and 2% of manufacturing sites had an absenteeism rate among female workers of more than 30% during the previous year. The data from the SMETA audits, however, did not confirm any non-compliance in this respect.

### ■ Measuring the Effectiveness of Actions Taken

We measure the effectiveness of our assessment and remediation efforts through Sedex at our plants and in our supply chain by measuring the degree of improvement across multiple risks (health and safety, worker age, discrimination, work based on free choice, etc.) before and after the execution of remediation efforts addressing the risks we have identified through the Sedex. In the case of Sedex assessment, there are items for which it is challenging to reduce the potential risk, but even if the potential risk is high, the risk can be controlled if the management capability is high. Based on this premise, we focus on improving management capability as we undertake corrective actions at our own plants and with our suppliers.

Furthermore, as part of the series of steps noted above, we provide feedback to stakeholders on the results of our effectiveness measurement, and carry out direct engagement that leads to further actions for improvement.

### ■ Action Plan

While taking into consideration the risks and other factors identified through the above process, we will implement the following priority initiatives as our action plan.

#### ● Own Plants

We will proceed with the Sedex rollout at the remaining Suntory-owned plants worldwide during the second half of 2022, and determine whether there are any human rights risks.

#### ● Supply Chain

With regard to 1<sup>st</sup> tier suppliers, we will continue to promote the remedy of important non-compliances that have become apparent through Sedex, and will continue to encourage suppliers to improve their management capabilities with regard to potential risks. In addition, we will move forward with impact assessments for upstream suppliers in our main raw materials supply chain.

#### ● Migrant Workers

We will identify sites other than our own plants where migrant workers (especially technical intern trainees) are present, and consider necessary steps depending on the degree to which the significant risk of forced labor is present.

## Access to Remedy

### ■ Internal Reporting System

#### ● Hotline

The basic rule in Suntory is that when an employee discovers actions that breach the Suntory Group's Code of Business Ethics, he or she must first report it to the supervisors and seek their advice. However, we have also established a Compliance Hotline both internally (our Compliance Office) and externally (3rd party law firm) as contact point for all of the Group companies in Japan in order to quickly discover and resolve compliance issues when reporting or consulting with a supervisor is not appropriate.

Both mechanisms are available in multiple languages so that foreign employees who do not speak Japanese fluently can use easily use them. In addition, we provide an independent internal contact point at 11 Group companies and conduct annual training to improve the response of those in charge of this independent contact point in the Compliance Department.

We have also implemented a global contact point for compliance issues encompassing all Group companies in Japan and globally as part of our global risk management system.

This contact point supports multiple languages such as English, Chinese, and Spanish, and accepts reports and consultations from multiple countries. Additionally, in order to avoid accessibility issues due to technical or financial reasons, we have made this mechanism accessible to all employees through different methods (digital and analog), including web, smartphones, telephone, and mail. The internal awareness of this mechanism is measured every year through initiatives such as the "Employee Awareness Survey" as a way to engage users and assess the current mechanism, and the current awareness rate is over 90%. We also strive to keep improving the awareness rate and accessibility of this mechanism by sharing these results (including comparisons with previous year) with our top management.

In 2021, a total of 181 reports were received through these contact points in Japan and overseas (89 reports were received by Suntory Beverage & Food Group). Roughly 60% of the reports received in Japan were about labor, personnel and management issues, including human rights related issues.

If there is a suspicion of non-compliance based on the content of the report, we take into consideration the privacy protection of all persons involved in accordance with the Suntory Group Internal Reporting System Regulations. In that case, the compliance officer promptly conducts a confidential investigation within the company, and promptly requests correction while escalating to the relevant executive in charge, so that measures can be taken as soon as possible in order to avoid any negative impact to the reporter. The results of the survey are shared to the reporter and management, respectively, to promote corrective measures and prevent recurrence. After a certain period of time has passed after the response, we close the case once we receive a report on the state of change from senior management as a follow-up.

Furthermore, regarding measures against harassment, which is a priority issue, in many cases there is a difference in values with colleagues and related parties, so we aim to create a culture where both sides can recognize the difference by providing an opportunity to learn about "conscious bias," and in this respect we are holding seminars to promote a more tolerant organization.

#### ● Protecting the Reporters

Based on our internal regulations, the Suntory Group prohibits any type of negative impact such as retaliation or spread of rumors and does not force confidentiality on the reporters. In order to achieve this, when the Compliance Office conducts an investigation it identifies the persons concerned and then confirms the "internal reporting system regulations", protecting thus the rights of the reporter. In addition, during the interviews with the reporter on the closing of each case, we also check that reporters have not suffered any disadvantages during the process. Furthermore, we are working to create a culture in which compliance reports are protected not only by the persons concerned but also by the entire workplace by proactively disseminating the "internal reporting system regulations" within the company on a daily basis.

## ■ External Reporting System

Since its founding, the Suntory Group has placed customer satisfaction first and valued proactive communication with customers. In addition, based on our belief that all our stakeholders are customers, suppliers are also regarded as important customers. Therefore, when promoting human rights due diligence, we think it is important that not only our employees, but also our direct suppliers, their own suppliers, as well as other related parties (their local community, etc.) have access to a grievance mechanism, including human rights issues.

Furthermore, as stated in our supplier guidelines, we expect suppliers to establish similar grievance mechanisms (with no retaliation) within their own supply chain, thereby striving to promote access to remedy upstream in our supply chain. Currently, we have established a Customer Center as a contact point for suppliers and their related parties (communities) to use. The Customer Center accepts inquiries from all customers.

For human rights issues and other inquiries from suppliers, please contact us using the form below (English/Japanese available)

## Stakeholder Engagement

We utilize information on Sedex and third-party interviews as key processes to engage with stakeholders (rightholders).

As an example of information gathering through Sedex, when we implement Sedex at our own plants, we communicate directly with the office management of each plant to exchange opinions from the perspective of human rights risks. An example of our third-party interviews can be seen in the third-party interviews conducted by CRT with migrant workers (foreign technical intern trainees) at our group company Izutsu Maisen in 2021. In doing so, we listened to their perspectives on human rights and related issues of migrant workers (communication, cross-cultural understanding, and creating a more comfortable workplace). We regard this as important information to be used in our future human rights due diligence efforts.

## ■ Stakeholder Communication

We believe that communicating with stakeholders on human rights risks and impact is critical to our stakeholder engagement.

For example, we carry out direct communication that is attentive to rightholders (as in the interviews with migrant workers at Izutsu Maisen described above), and we communicate through briefings for suppliers (on supplier guideline compliance).

On the other hand, while identifying and approaching rightholders upstream in the supply chain is a very important component of stakeholder communication, it is also a challenging area of activity that must be addressed step by step and after proper prioritization. We plan to engage and communicate with the main stakeholders of the high-potential-risk and high-impact raw materials that we identified in 2021.

## ■ Dialogue with Experts

Suntory Group holds regular dialogue with experts on human rights from Japan and overseas with the cooperation of Caux Round Table Japan (CRT Japan) Committee to strengthen initiatives related to human rights. We conducted online dialogue in October for FY2020. We share the progress of our activities related to human rights with the experts and discussed due diligence during the COVID-19 pandemic in this dialogue.

For the dialogue in 2019, we were advised to assess two types of risks: ethical manufacturing activities in our production sites and foreign workers. We reported that we have begun assessing the risks at our plants and foreign workers labor in the 2020 dialogue to the experts. We also discussed about an efficient and effective way to risk assessment of raw materials and immigrant workers we began 2020 during the COVID-19 pandemic.

We will continue to conduct dialogue with wide range of stakeholders to improve activities related to human rights, including the founding in this dialogue.

- Experts: Neill Wilkins (Institute for Human Rights and Business) and Tulika Bansal (Danish Institute for Human Rights)
- Facilitator: Hiroshi Ishida (CRT Japan Committee)

## ■Raising Internal and External Awareness

### Initiatives to Raise Awareness

Every year, the Suntory Group conducts a sustainability e-learning program for approximately 20,000 employees to learn about global ESG trends, including human rights, and the company's initiatives. In addition, to facilitate understanding of the Suntory Group's Code of Business Ethics (including human rights) among all officers and employees of the Suntory Group, and to encourage them to practice these ethics in their daily activities, we have included the Code in a booklet that summarizes the Suntory Group's system of philosophy, which is distributed to all employees. To promote global understanding, we have translated the booklet into 11 languages, and its contents are read and signed once each year. Group companies outside Japan also carry out similar efforts to promote compliance and human rights understanding in various regions.

Regarding our corporate management, every year we provide briefings on sustainability encompassing human rights as part of our annual training for newly appointed managers. In addition, members and management of the procurement department, which is closely involved with human rights initiatives, are all provided with briefings on sustainability encompassing human rights.

As for sharing with external stakeholders, we disclose our Human Rights Policy on our official website and share it with our raw material, packaging, and logistics suppliers at annual supplier briefings through our supplier guidelines, which include our human rights commitment, covering more than 98% of the Suntory Group's purchasing volume.

### Initiatives to Improve Awareness of employees (Human Rights Workshop Between Suntory Employees and External Experts)

In April 2019, under the guidance of human rights experts (Caux Round Table Japan), we discussed global trends such as the approval of the United Nations Guiding Principles on Business and Human Rights and the efforts of companies in Japan and overseas, and related departments exchanged opinions regarding the importance of human rights in today's world and the key themes for the Suntory Group.

### Human Rights Training on Human Rights in the Workplace

The Suntory Group is holding human rights lectures and seminars at a departmental level in addition to conducting human rights training for new managers, new employees, and other staff in Japan. In 2018, we held a lecture on human rights titled "Human rights issues in companies surrounding sexual minorities." The DVD of the video recording of the lecture is used at seminars mainly at sale offices throughout Japan. We are holding seminars to raise awareness related to human rights that are more closely related to human rights issues in the workplace through in-person and online from 2020.

## Measures to Prevent the Spread of COVID-19

### ■Supplier Engagement

Suntory Group conducts measures to prevent the spread of COVID-19 with the suppliers to ensure safety in the supply chain. We encourage suppliers to respond to a special module on Sedex SAQ related to COVID-19 to confirm the measures implemented by suppliers. In addition, we also offer suppliers masks and support implementation of measures to strengthen measures to prevent the spread of infection.

### ■Social Contribution for Helping Prevent the Spread of COVID-19

While the COVID-19 spreads across the globe, we strive to promote social contribution activities based on our founding spirit of "Giving Back to Society" to overcome this hardship. Suntory Group companies around the world are engaging in activities to support local communities, medical practitioners, and food and beverages industry of their respective region.

## ■ Occupational Health and Safety of the Employees and Site Workers

We have established a COVID-19 Response Task Force to gather information about its impact on the supply chain and business, enable quick decision making and implement measures with safety of the employees as a priority. Shift to telework was smooth even during the pandemic as its system and environment was being prepared before the COVID-19. To ensure safety and peace of mind when working at the office, PCR testing for employees are conducted as well as thermometers, acrylic boards and disinfectants were placed in various locations.

Statement on legislation of human rights due diligence by Group companies around the world

## Statement on legislation of human rights due diligence by Group companies around the world

- Beam Suntory Inc.
- Suntory Beverage & Food Europe
- Frucor Suntory

## Other human rights initiatives

### ■ Internal

- Suntory Group's Health Management
- Diversity, Equity and Inclusion
- Occupational Health and Safety
- Harassment Hotline

### ■ Supply chain

- Sustainable Procurement
- Just and Fair Transactions

## External Evaluation/Awards

### 2022

Mar. 2022

#### Suntory Holdings Limited received Grand Prize in the "Project Category" of the NIKKEI Decarbonization Award

In the NIKKEI Decarbonization Award "Project Category," Suntory Holdings Limited received the Grand Prize for its efforts to "Realize a decarbonized society through bottle-to-bottle direct recycling."



Mar. 2022

#### Suntory Holdings Limited received "Cancer Control Partner Award (medical checkup category)" at the 2021 Awards for Companies Promoting Cancer Control

Suntory Holdings Limited received the "Partner Award for Cancer Control Promotion (Health Screening Category)" at the 2021 Awards for Companies Promoting Cancer Control organized by Action for Companies Promoting Cancer Control, a project commissioned by the Ministry of Health, Labor and Welfare.

Mar. 2022

#### Suntory Holdings Limited and Suntory Beverage & Food Limited recognized as a "White 500" in the "Excellent Health Management Corporation 2022"

Suntory Holdings Limited and Suntory Beverage & Food Limited have been certified as "Excellent Corporations for Health Management 2022 - White 500" by the Ministry of Economy, Trade and Industry and the Japan Health Council. This is the sixth consecutive year that both companies have been certified since the certification began in 2017.



Mar. 2022

#### Suntory Kyushu Kumamoto Plant received the "Grand Prize" in the Groundwater Conservation Award Program

Suntory Kyushu Kumamoto Plant was awarded the "Grand Prix" in the 2021 Groundwater Conservation Award Program by the Kumamoto Groundwater Foundation. The award was given in recognition of the plant's various activities for groundwater sustainability, including the systematic development of various water conservation activities since the start of operations in 2003.



Mar. 2022

**PT SUNTORY GARUDA BEVERAGE selected as "Indonesia Top CSR Awards 2021 Star 4 and Top Leader on CSR Commitment 2022"**

PT SUNTORY GARUDA BEVERAGE was selected as Indonesia Top CSR Awards 2021 Star 4 and Top Leader on CSR Commitment 2022. Suntory Garuda Beverage was recognized for its sustainability initiatives, including water conservation activities at its plants, "Mizuiku" environmental education for the next generation to teach children the importance of water, other container packaging initiatives, and measures and support for the prevention of Covid-19.

Feb. 2022

**Suntory Holdings Limited selected by the CDP as Supplier Engagement Leader 2021**

Suntory Holdings Limited has been recognized on global environmental non-profit CDP's Supplier Engagement Leaderboard, ranking among the top 8% of all companies assessed for supplier engagement on climate change.



Jan. 2022

**Suntory Minami Alps Hakushu Water Plant in Japan achieved the Alliance for Water Stewardship (AWS) certification**

Suntory Minami Alps Hakushu Water Plant in Japan achieved the Alliance for Water Stewardship (AWS) certification for having met the global benchmark for responsible water stewardship, making it the company's third plant to be certified against AWS Standard. In 2018, Suntory Okudaisen Bunanomori Water Plant became the first Japanese plant to receive certification under the AWS Standard, followed by the second certification in 2019 for Suntory Kyushu Kumamoto Plant.

Jan. 2022

**Suntory (China) Holding Co., Ltd. received the Shanghai City "慈善之星(Charity Star)" award**

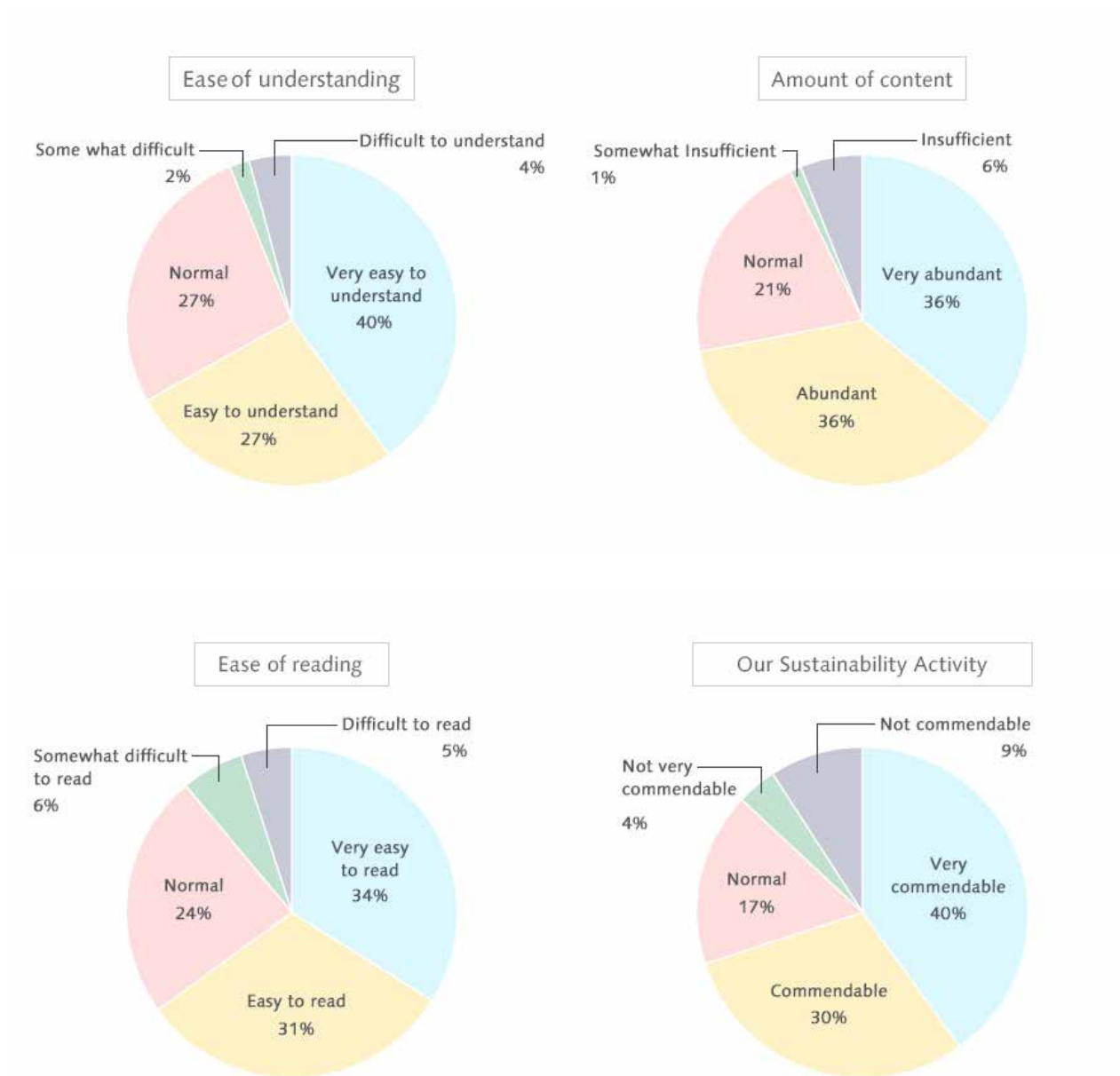
Suntory (China) Holding Co., Ltd. was awarded the Shanghai "慈善之星 (Charity Star)". The award recognizes organizations and individuals who have made outstanding contributions and had a broad impact on the development of philanthropy in Shanghai and China, including the prevention and management of the Covid-19 pandemic. Suntory was highly recognized for its support activities for Covid-19 and its "Suntory Mizuiku-Education Program for Nature and Water" launched in China in September 2021.

# Questionnaire Results

We received feedback about Suntory Group Sustainability Report 2021 from the total of 67 readers (as of end of December 2021).

We are glad to receive high praise and many valuable opinions from the readers. We welcome any opinions or impressions you may have so that we may refer to them in our future reporting and activities. We are happy to receive high evaluation and many precious opinions from the readers.

## Questionnaire results of Suntory Group Sustainability Report 2021



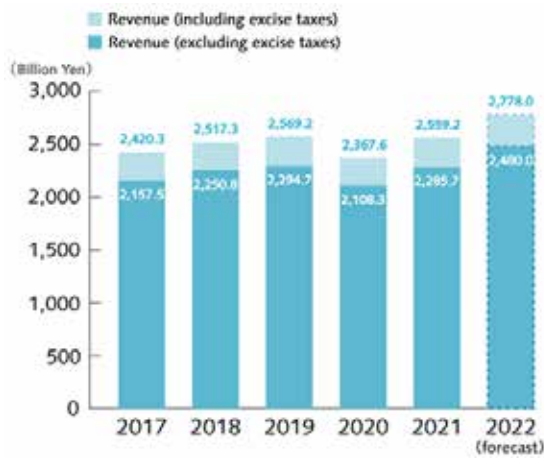
# Major Sustainability Data

The Suntory Group has brought together its performance for the main indicators (management, environment, and society) on our sustainability site and other media.

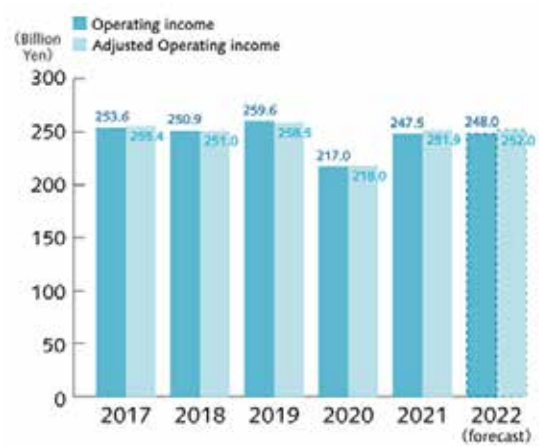
## Key Financial Data

### Consolidated financial Results

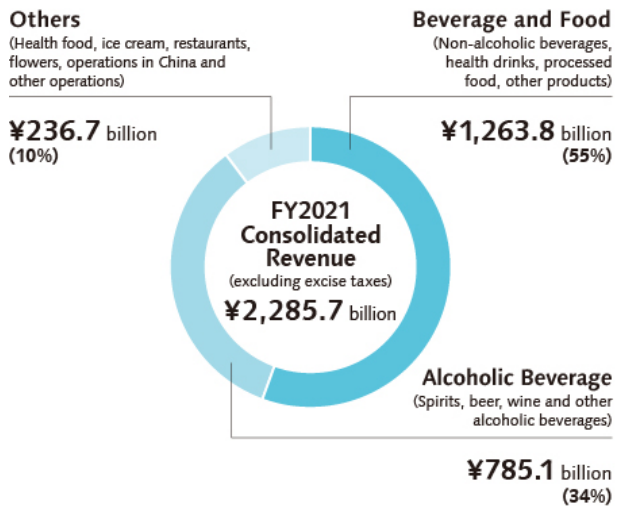
#### Consolidated Revenue



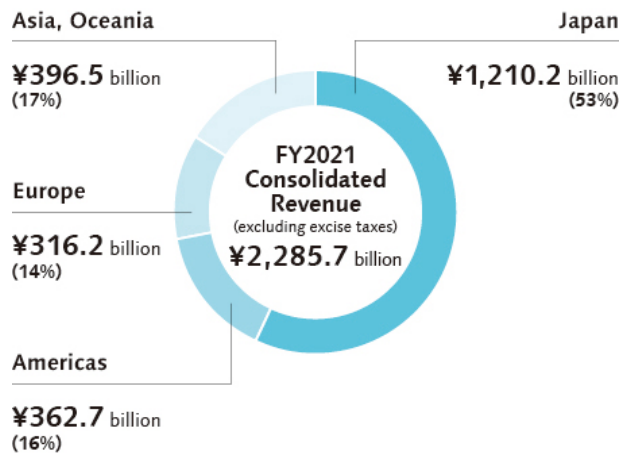
#### Consolidated operating income



#### Sales by Business Segment



#### Sales by Area



## ■ Economic contribution\*

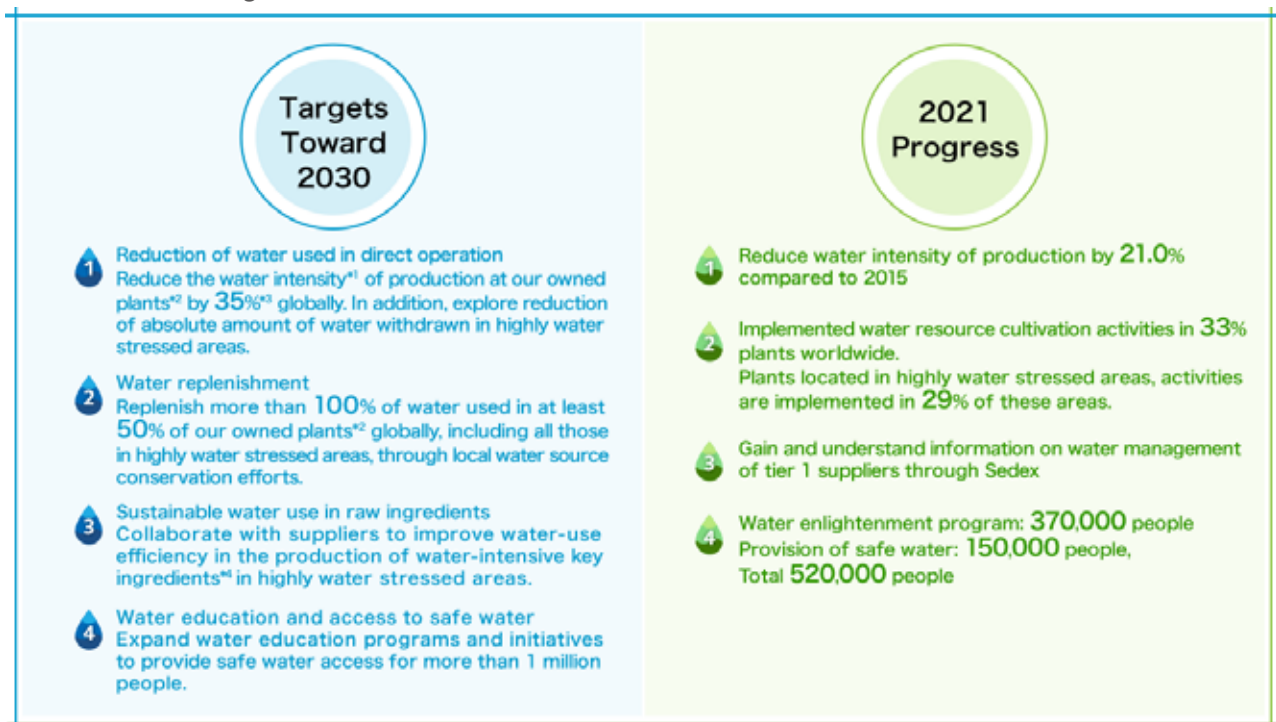
2020 Results (Billions of yen)

Economic contribution	1.a. Revenues	22,857
	1.b. Operating costs	8,302
	1.c. Employee wages and benefits	3,544
	1.d. Payments to providers of capital	497
	1.e. Payments to government	820
	1.f. Community investment	63
	2. Financial assistance received from the government	–
Financial investment contribution	1.Total capital expenditures (CapEx) minus depreciation,	357
	2.Share buybacks plus dividend payments	329
Total R&D expenses		247
The total global tax borne by the company		820

\*Disclose based on the core metrics of Measuring Stakeholder Capitalism-Toward Common Metrics and Consistent Reporting of Sustainable Value Creation, as recommended by the World Economic Forum's International Business Council.

## Environmental Data

### ■ Environmental Targets Toward 2030 <Water>



\*1 Water intensity is the amount of water withdrawn per unit of production, which is 1 kiloliter of production

\*2 EOwned plants that manufactures finished products and excludes plants for packaging and ingredients

\*3 Reduction of water intensity of production based on 2015 baseline year

\*4 Coffee, barley, grapes

## Water Use Performance

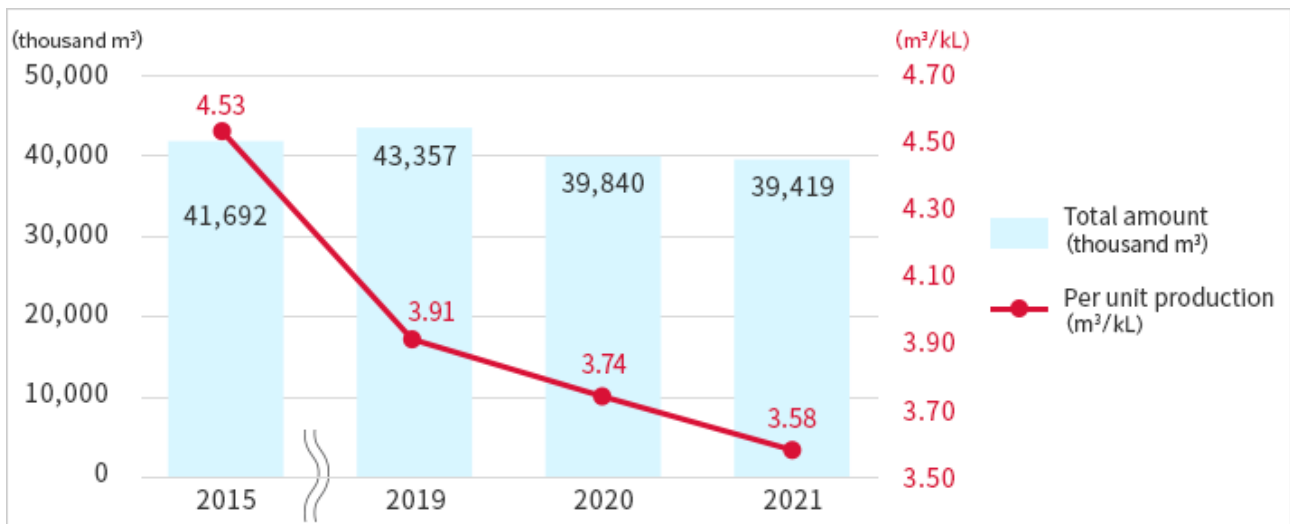
Area	Water use (thousand m <sup>3</sup> )			
	2015 (base year)	2019	2020	2021
Japan	21,816	21,310	20,752	20,461
Americas	8,132	8,081	6,737	6,253
Europe	6,473	6,245	5,454	5,985
Asia	4,492	7,154	6,364	6,212
Oceania	562	438	444	424
Africa	216	129	89	84
Total	41,692	43,357	39,840	39,419★

\*2015 (base year): Data covers 25 production plants in Japan and 59 production plants overseas \*2021 : Data covers 27 production plants in Japan and 64 production plants overseas

\*Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 21,776 thousand m<sup>3</sup>★

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

### Water use



\*Per unit production is the amount of usage per kiloliter produced

\*Data covers 27 production plants in Japan and 64 production plants overseas

## ■ Amount of water usage by water source

Intake source	Amount of water (thousand m <sup>3</sup> )		
	2019	2020	2021
Groundwater	18,687	17,698	17,129
Rivers/lakes	12,873	10,858	10,468
Rain water	0	0	0
City water	11,797	11,284	11,822
Water supplied from external sources (recycled water)	0	0	0
Total	43,357	39,840	39,419

\*Data covers 27 production plants in Japan and 64 production plants overseas

## ■ Water discharge

Destination	Waste Water (thousand m <sup>3</sup> )		
	2019	2020	2021
Rivers/lakes	14,481	13,611	13,961
Sea	1,061	967	1,088
Sewers	8,707	8,283	8,651
Others (for watering plants, etc.)	61	55	35
Total	24,310	22,917	23,736

\*Data covers 27 production plants in Japan and 64 production plants overseas

## ■ Assessing Water Risk

The Suntory Group commits to water sustainability as a priority initiatives in the Basic Principles of Suntory Group's Environmental Policy. Suntory conducts various water assessments at the Institute for Water Science. To carry out business in a sustainable way, we conduct water risk assessment and promote environmental management. We also conduct water risk assessment when entering new businesses.

### WRI Aqueduct Water Risk Assessment by Suntory Group's Plants

For the risk assessment, we used the Baseline Water Stress country score, developed as part of World Resources Institute's Aqueduct Water Risk Atlas, as an index that can evaluate sites around the world in common at the global level, to identify countries with high water stress from the countries where our plants are located.

(\*Covered 26 production plants in Japan and 64 production plants overseas owned by companies that collectively account for more than 90% of the Suntory Group's sales.)

Baseline Water Stress	
Extremely high	India
High	Mexico and Spain
Medium-high	France, Thailand, Indonesia, and Australia
Low-medium	Japan, America, England, the Philippines, and Nigeria
Low	Canada, Ireland, Taiwan, Vietnam, Malaysia, and New Zealand

Created based on the Baseline Water Stress score for each country adopted in the Aqueduct Risk Atlas by the World Resources Institute.

<https://www.wri.org/applications/aqueduct/country-rankings/>

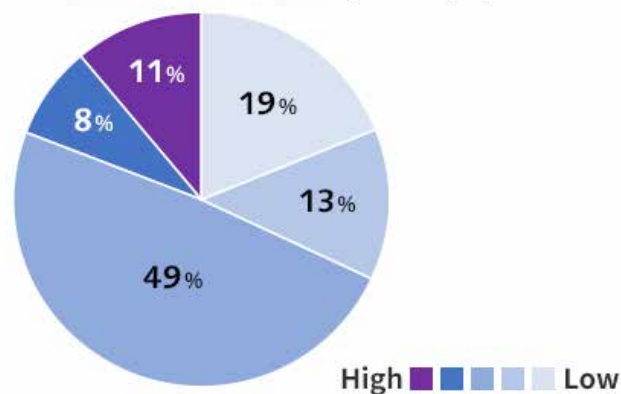
Hofste, R., S. Kuzma, S. Walker, E.H. Sutanudjaja, et. al. 2019. "Aqueduct 3.0: Updated Decision-Relevant Global Water Risk Indicators." Technical Note. Washington, DC: World Resources Institute. Available online at: <https://www.wri.org/publication/aqueduct-30>.

In addition to Baseline Water Stress, we have adopted 2040 Water Stress, which evaluates water stress in 2040 based on future scenarios such as climate change. Plants with either Baseline Water Stress or 2040 Water Stress scores of "Extremely High" or "High" are defined as plants with high water risk in the Suntory Group. The percentage of water withdrawals at plants with high water risk is 19% of all of our plants.

The Suntory Group conducted local surveys and assessments that focused on plants with high water risk. We have also consistently conducted water assessment surveys of our major suppliers since 2016.

\*Plants located in a country with a Baseline Water Stress score of "extremely high" or "high" in the Aqueduct by the World Resources Institute.

Water Risk Assessment of Suntory Plants (%)



## ■ Environmental Targets Toward 2030 <GHG>



## ■ Scope 1 and 2 emissions by area in 2021

Area	GHG emissions (thousand tons)				
	2019 Scope 1+2(base year)	2020 Scope 1+2	2021		
			Scope 1	Scope 2	Scope 1+2
Japan	433	417	246	172	418
Americas	225	168	179	13	192
Europe	125	98	107	1	108
Asia	204	176	50	155	205
Oceania	19	13	9	4	13
Africa	8	6	8	0	8
Total	1,014	879	599	345	944

\*Data covers GHG emissions for the entire Suntory Group are calculated. (GHG emissions from small offices in countries other than Japan are excluded). Among the 944 thousand tons listed above, Scope 1 and 2 emissions from 27 production plants in Japan and 64 production plants overseas, and non-production sites in Japan (offices such as main office, training sites, R&D facilities, sales sites, restaurants and development sites) are 918 thousand tons ★ (Scope 1: 575 thousand tons ★, Scope 2: 343 thousand tons ★).

\*Among the 944 thousand tons listed above, GHG emissions from the Suntory Beverage & Food Group are 515 thousand tons. Among the 515 thousand tons, Scope 1 and 2 emissions from 10 production plants in Japan and 41 production plants overseas, and non-production sites in Japan (offices such as training sites, R&D facilities, sales sites) are 489 thousand tons★ (Scope 1 : 228 thousand tons★ ; Scope 2 : 262 thousand tons★).

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

\*Emission factors for GHG calculation are as follows:

Fuel:

For Japan: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from fuel suppliers or factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures.

GHG from Electricity consumption:

For Japan: The adjusted emission factors for each electric power company specified by the Act on Promotion of Global Warming Countermeasures.

For overseas: Factors obtained from individual power suppliers or IEA emission factors by country.

GHG other than CO<sub>2</sub>:

For 27 plants in Japan: Factors specified by the Act on Promotion of Global Warming Countermeasures

\*The total may not match the sum of each figure due to rounding.



## ■ Changes in Scope 1 and 2 emissions



## ■ Scope 3 Emissions

### Suntory Group

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	4,669★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the beverage and food business, alcoholic beverage business, and health food business of the Suntory Group (in Japan and overseas) by the emission factors. 41% of Category 1 GHG emissions are calculated using emission factors calculated from the GHG emissions of suppliers of raw materials and packaging materials. [Contract manufacturers] Calculated by multiplying the volume of the products that Suntory Group (in Japan) , Suntory Beverage & Food Europe, and Frucor Suntory Group have outsourced to contract manufacturers by the emission factors.
2. Capital Goods	532★	Calculated by multiplying the amount of capital expenditure excluding land expenditure of Suntory Group by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	165	Calculated by multiplying the amount of energy consumed by Suntory Group by emission factors.
4. Upstream transportation and distribution	359	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Group by emission factors.
5. Waste generated in operations	19	Calculated by multiplying the weight of waste disposed by Suntory Group by emission factors.
6. Business travel	3	Calculated by multiplying the amount of business travel expenses of Suntory Group by emission factors.
7. Employee commuting	21	Calculated by multiplying the amount of commuting expenses of Suntory Group by emission factors.
8. Upstream leased assets	40	Calculated by multiplying the floor area of distribution centers rented by Suntory Group by emission factors.
9. Downstream transportation and distribution	152	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Group by emission factors.
10. Processing of sold products	—	None
11. Use of sold products	56	Calculated by multiplying the sales volume of goods of Suntory Group by emission factors.
12. End-of-life treatment of sold products	384	Calculated by multiplying the weight of packaging materials for products sold by Suntory Group by emission factors.
13. Downstream leased assets	403	Calculated by multiplying the amount of electricity used by vending machines leased by Suntory Group by emission factors.
14. Franchises	—	None
15. Investments	—	None
Total	6,803	

\*Data for the beverage and food business, alcoholic beverage business, and health food business of Suntory Group (in Japan and overseas). For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

## Suntory Beverage & Food Ltd.

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	3,475★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the Suntory Beverage & Food Group (in Japan and overseas) by the emission factors. 35% of Category 1 GHG emissions are calculated using emission factors calculated from the GHG emissions of suppliers of raw materials and packaging materials. [Contract manufacturers] Calculated by multiplying the volume of the products that Suntory Beverage & Food Group (in Japan), Suntory Beverage & Food Europe, and Frucor Suntory Group have outsourced to contract manufacturers by the emission factors.
2. Capital Goods	237★	Calculated by multiplying the amount of capital expenditure excluding land expenditure of Suntory Beverage & Food by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	105	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food by corresponding emission factors.
4. Upstream transportation and distribution	259	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food by corresponding emission factors.
5. Waste generated in operations	6	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food by corresponding emission factors.
6. Business travel	2	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food by corresponding emission factors.
7. Employee commuting	15	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food by corresponding emission factors.
8. Upstream leased assets	25	Calculated by multiplying the floor area of distribution centers rented by Suntory Beverage & Food by corresponding emission factors.
9. Downstream transportation and distribution	120	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Beverage & Food by corresponding emission factors.
10. Processing of sold products	—	None
11. Use of sold products	43	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food by corresponding emission factors.
12. End-of-life treatment of sold products	356	Calculated by multiplying the weight of packaging materials for products sold by of goods of Suntory Beverage & Food by corresponding emission factors.
13. Downstream leased assets	368	Calculated by multiplying the amount of electricity used by vending machines leased by of goods of Suntory Beverage & Food by corresponding emission factors.
14. Franchises	—	None
15. Investments	—	None
Total	5,012	

\*Data for the businesses of Suntory Beverage & Food (in Japan and overseas). For some overseas group companies, values were estimated by using Japan-based emission factors and emission per unit production.

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

## ■SOx emissions

	2019	2020	2021
Emissions (t)	16.8	10.4	3.4
Per Unit (g/kℓ)	3.5	2.2	0.7

\*27 production plants in Japan

## ■NOx emissions

	2019	2020	2021
Emissions (t)	152.0	151.6	141.8
Per Unit (g/kℓ)	31.6	32.2	29.4

\*27 production plants in Japan

## ■Quantity of equipment that uses PCB (as of January 2022)

	Stored	Used	Total owned
Capacitor	2	0	2
Transformer	5	0	5
Stabilizer for lighting device	1	0	1

## ■By-products and Waste Generation Performance

Area	Amount of discharge (thousand tons)		
	2019	2020	2021
Japan	251	228	218
Americas	193	156	410
Europe	113	95	119
Asia	32	32	30
Oceania	5	7	7
Africa	0	0	0
Total	594	518	783★

\*Data covers 27 production plants in Japan and 64 production plants overseas

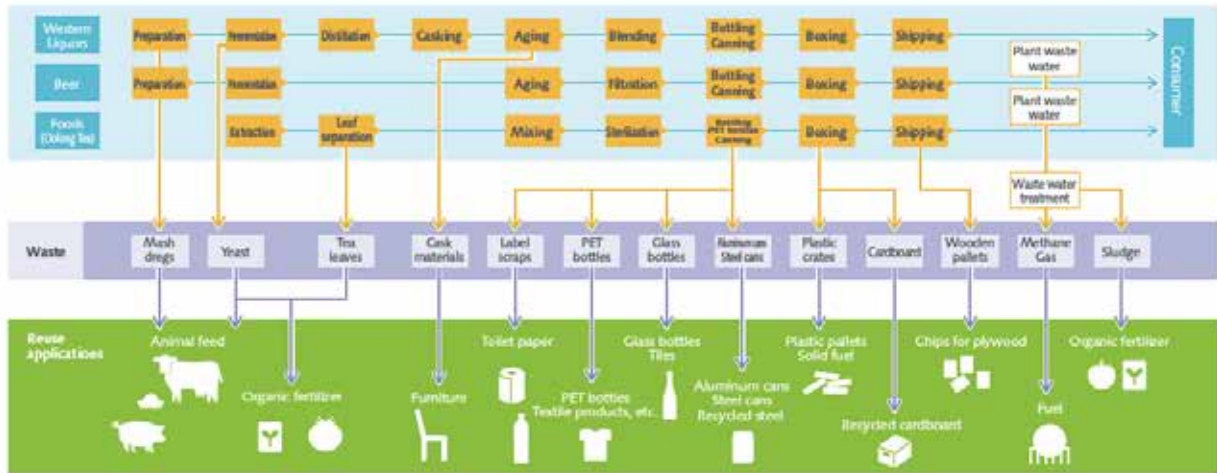
\*The increase in emissions in the Americas is due to the addition of waste and by-products to be included from FY2021. The amount of the waste and by-products increased by 238 thousand tons due to the addition.

\*Therein, the byproducts and waste generated by Suntory Beverage & Food Group companies in Japan and overseas amount to 148 thousand tons★

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

■ Recycling Rate of Japanese Plants and Flow for reuse of by-products and waste generated in each production process

	2017	2018	2019	2020	2021
Amount of discharge (thousand ton)	258	258	251	228	218
Amount recycled (thousand ton)	258	258	251	228	217
recycling rate (%)	100.0	100.0	99.9	100.0	99.7



■ By-products and Waste generation, recycling rate and the purpose of use for recycled products

Type of waste	Main Purpose of Use	2017		2018		2019		2020		2021	
		Generation (t)	Recycling Rate (%)	Generation (t)	Recycling Rate (%)	Generation (t)	Recycling Rate (%)	Generation (t)	Recycling Rate (%)	Generation (t)	Recycling Rate (%)
Vegetable (glycation, tea, coffee dregs, etc.)	- Animal feed - Fertilizer	195,334	100	187,818	100	181,524	100	164,185	100	159,273	100
Sludge (excess sludge, etc.)	- Fertilizer	30,351	100	30,472	100	31,245	100	30,275	100	27,337	100
Wood waste (cask, palletes)	- Animal feed - Fertilizer	1,314	100	4,435	100	2,458	100	5,186	100	5,267	100
Glass and ceramic scrap	- Glass materials - Base course material	3,508	100	3,216	100	2,825	100	2,285	100	1,337	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	6,349	100	6,228	100	6,429	100	5,520	100	5,508	100
Plastic	- Palette - Solid fuel - Supplementary fuel	5,918	100	6,138	100	6,338	100	6,033	100	5,796	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	2,958	100	3,240	100	3,270	100	3,314	100	3,506	100
Other		12,632	100	16,405	100	17,365	100	11,558	100	9,903	93
Total		258,365	100	257,951	100	251,454	100	228,355	100	217,925	99.7

\*Data covers 27 production plants in Japan

## ■Suntory Group's Environmental Accounting (total of business in Japan)

(Period: January 1 to December 31, 2021)

(million yen)

Item			FY2019		FY2020		FY2021	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> <li>Preventing water pollution</li> <li>Air pollution prevention cost, etc.</li> </ul>	348	2,151	735	2,082	530	2,070
	Global environmental preservation cost	<ul style="list-style-type: none"> <li>GHG reduction</li> <li>Energy conservation</li> <li>Cogeneration</li> <li>Air treatment, etc.</li> </ul>	668	3,090	428	2,730	651	2,843
	Resource circulation cost	<ul style="list-style-type: none"> <li>Conserving water through recirculation</li> <li>Reducing sludge</li> <li>Reusing waste</li> <li>Wastewater treatment cost, etc.</li> </ul>	331	3,246	153	3,413	66	4,027
	Total		1,347	8,486	1,315	8,225	1,247	8,940
Upstream and downstream cost	<ul style="list-style-type: none"> <li>Commission for resource recycling containers and packaging</li> <li>Environmentally-friendly containers and packaging measures</li> </ul>	0	1,238	0	1,187	0	1,387	
Management activities costs	<ul style="list-style-type: none"> <li>Building and maintaining Environmental Management System</li> <li>Sustainability Reports, Exhibits</li> <li>Factory greenification, etc.</li> </ul>	0	927	0	714	0	921	
Research and development costs	<ul style="list-style-type: none"> <li>Research and development activities to reduce environmental impact</li> </ul>	28	300	9	324	3	317	
Social activities costs	<ul style="list-style-type: none"> <li>Suntory Natural Water Sanctuary</li> <li>Bird Conservation Activities</li> <li>Suntory <i>Mizuiku</i> - Natural Water Education Program, etc.</li> </ul>	79	530	70	503	47	514	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,454	11,480	1,394	10,953	1,298	12,080

\*Amount of investment: Reason for investment was 50% or more for preserving the environment, all amount is considered as environmental investment (inspection basis)

\*Amortization expense: Expenses for investment from 2003 and afterwards which 50% or more is intended for environmental preservation are calculated.

\*In general, all cost for management and research activities are directly confirmed. Costs that are difficult to confirm directly are prorated and allocated based on a past survey of each procedure.

## ■ Environmental Preservation Effect of Suntory Group (production sites in Japan)

(Period: January 1 to December 31, 2021)

Item				Unit	2019	2020	2021	Reduction against previous fiscal year per unit production basis	
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	16.8	10.4	3.4	7.3t/year	
				Per Unit (g/kℓ)	3.5	2.2	0.7		
			NOx	Total (t)	152	152.3	141.8	14.7t/year	
				Per Unit (g/kℓ)	31.6	32.4	29.4		
	Preserving global environment	GHG emission reduction	GHG (Fuel + Electricity) Derivation	Total (thousand t)	350.5	343.7	347.4	5.1 thousand t/year	
				Per Unit (kg/kℓ)	71.2	72.9	71.9		
		Reduction of energy consumption	Fuel	Crude oil conversion (thousand kℓ)	103	104	102	4,114kℓ/year	
				Per Unit (L/kℓ)	21.5	22.1	21.2		
			Electricity	Total amount (million kWh)	341	340	352	-3,016 thousand kWh/year	
				Per Unit (kWh/kℓ)	70.9	72.3	72.9		
		Resource circulation	Reduction of water resource use	Water use	Total amount (thousand m <sup>3</sup> )	21,310	20,752	20,461	863 thousand m <sup>3</sup> /year
					Per Unit (m <sup>3</sup> /kℓ)	4.4	4.4	4.2	
	Reduction of waste emissions		By-products and waste emissions	Total (t)	251,454	228,355	209,683	24,945t/year	
				Per Unit (kg/kℓ)	52.3	48.6	43.4		
Resource recycling rate			(%)	100	100	100			

\*Electricity based GHG emissions are the adjusted emission factors for each electric power company as specified by the Act on Promotion of Global Warming Countermeasures.

## ■ Economic effect of Suntory Group (production sites in Japan)

(million yen)

Item	FY2019	FY2020	FY2021
Income from recycling (sales of byproducts)*1	359	305	326
Cost saved by conserving energy*2	-321	-242	150

\*1 The calculation method is the same as the costs saved for waste disposal  
< Previous Year's Capital Gains × Ratio Compared to Previous Year's Production Volume - Current Year's Capital Gains >

\*2 The calculation method is the same as the costs saved for waste disposal  
< Yearly Costs Before Utility × Ratio Compared to Previous Year's Production Volume - Current Year's Costs >

## Social Data

### ■ Employment Status

2021 data for employees that work in the Suntory Group (Japan) is provided.

### ■ Number of Employees (as of December 31, 2021)

(employees)

	2017			2018			2019			2020			2021		
	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
Male	45	13	58	43	14	57	44	14	58	44	14	58	44	14	58
Female	2	3	5	2	3	5	1	3	4	1	3	4	1	3	4
Executives	47	16	63	45	17	62	45	17	62	45	17	62	45	17	62
Managers															
Male	1,432	643	2,075	1,459	654	2,113	1,497	668	2,165	1,541	686	2,227	1,593	676	2,269
Female	200	40	240	217	40	257	231	42	273	239	47	286	256	66	322
Members	3,433	965	4,398	3,431	968	4,399	3,387	960	4,347	3,362	931	4,293	2,976	1,220	4,196
Employees	5,065	1,648	6,713	5,107	1,662	6,769	5,115	1,670	6,785	5,142	1,664	6,806	4,825	1,962	6,787
Male	106	31	137	80	28	108	89	30	119	114	38	152	128	45	173
Female	79	19	98	87	113	200	90	115	205	85	128	213	88	131	219
Contract employees, etc.*	185	50	235	167	141	308	179	145	324	199	166	365	216	176	392
Temporary staff	567	63	630	573	66	639	543	58	601	526	57	583	530	52	582

\*Contract and temporary employees: Special contract employees, part-time employees, added SBF partner employees from 2018.

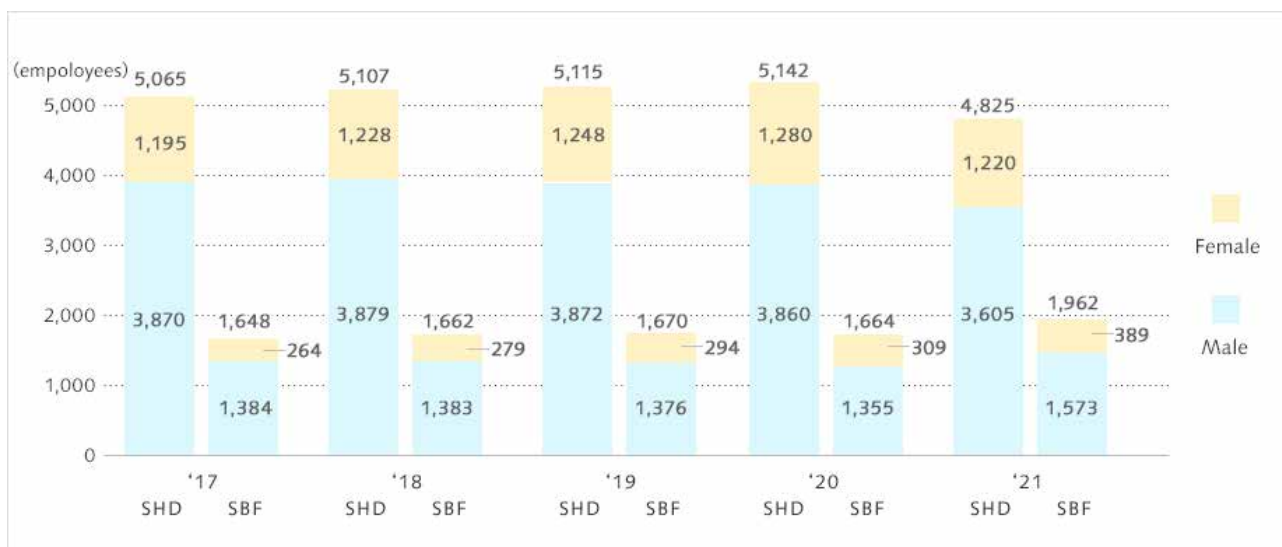
\*SBF Partner Employees: Temporary staff that have become permanent employees.

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.



## Number of Employees (as of December 31, 2021)



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Average age and average length of employment (as of December 31, 2021)

	2017		2018		2019		2020		2021	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
Average age	41.3	42.3	41.7	42.6	42.1	42.8	42.4	42.9	43.1	42.0
Average tenure	17.1	17.8	17.5	18.1	17.7	18.3	17.9	18.4	18.6	17.4

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Number of Employees

(employees)

			2017		2018		2019		2020		2021	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		68	17	69	16	70	24	66	20	71	19
	Female		48	20	45	16	47	18	49	18	43	13
Experienced workers	Male		13	4	14	5	9	1	8	3	22	2
	Female		2	7	11	5	5	0	16	1	14	0
Total			132	48	139	42	131	43	139	42	150	34
Experienced workers ratio											24%	6%

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Number of Resignees and Reasons/turnover Rate

(employees)

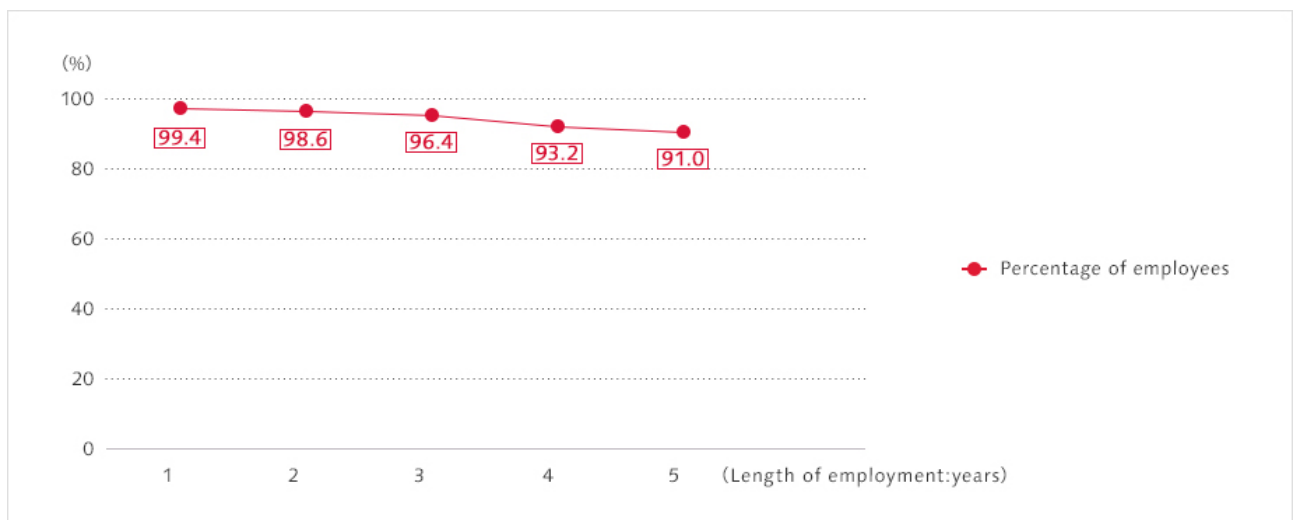
	2017	2018	2019	2020	2021
Retirement* <sup>1</sup>	39	66	89	128	122
Personal circumstances	43	57	54	48	56
Corporate circumstances* <sup>2</sup>	2	1	0	0	0
Other	4	8	2	7	8
Total	88	132	145	183	186
Turnover rate* <sup>3</sup>	0.67%	0.86%	0.80%	0.71%	0.83%

\*1 Retirement includes flexible-age retirement

\*2 Company reasons include plant closure, sale of business, etc.

\*3 Turnover rate is calculated based on retirees excluding those who retired at the mandatory retirement age.

## Retention rate of new graduate hires



\*Calculated for new graduates hired by Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. that entered the company from 2014 to 2016.

## Female employment data



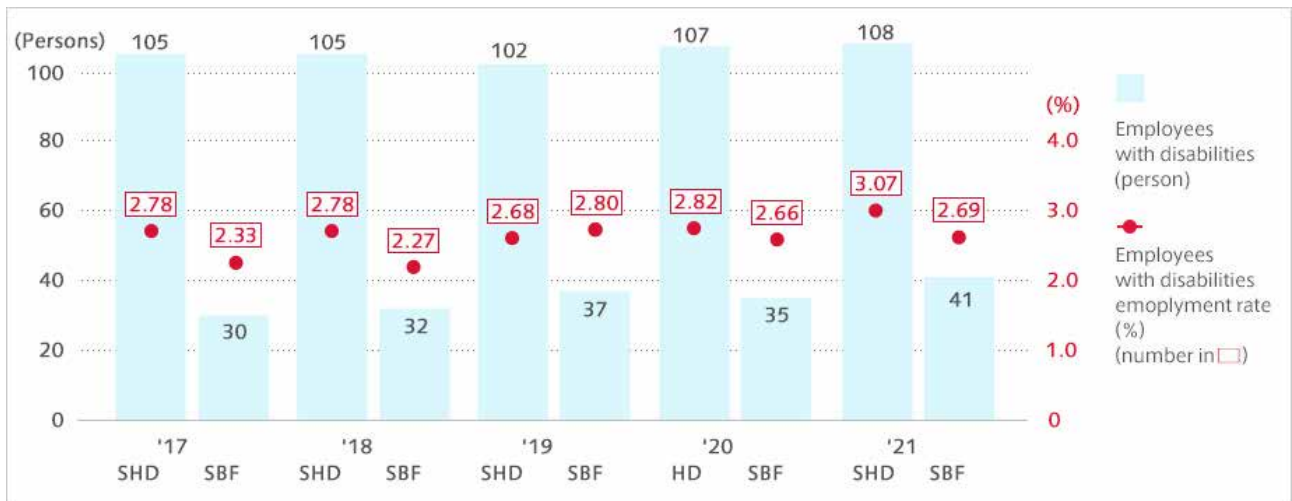
**Number of male and female employees by Management or Non-management position**



\*December 31, 2021

\*This is the total of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

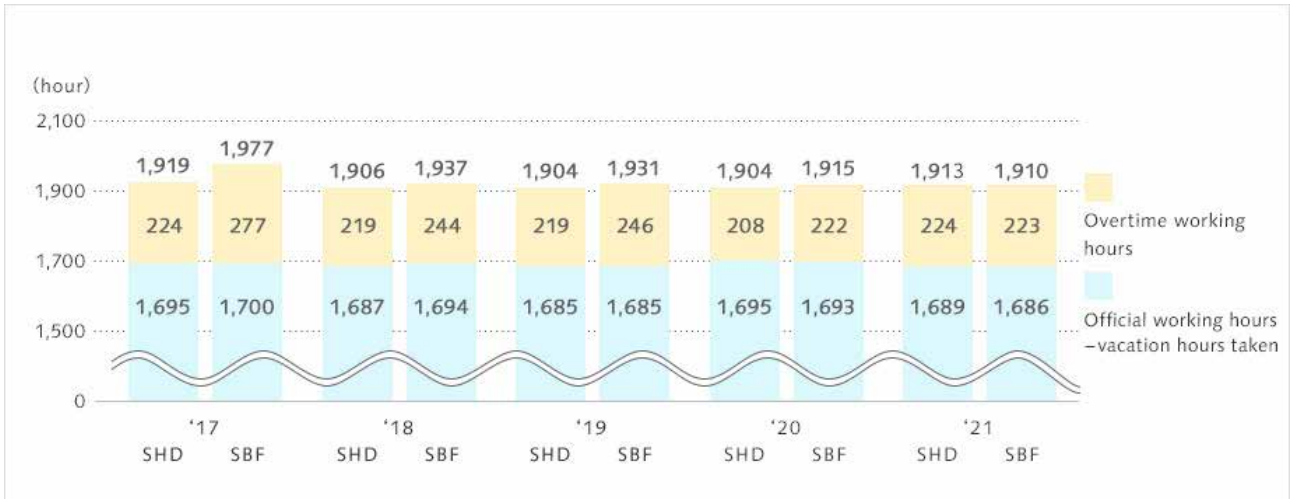
**Number of employees with disabilities and employment rate (as of Friday, June 01, 2021)**



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Total actual annual working hours

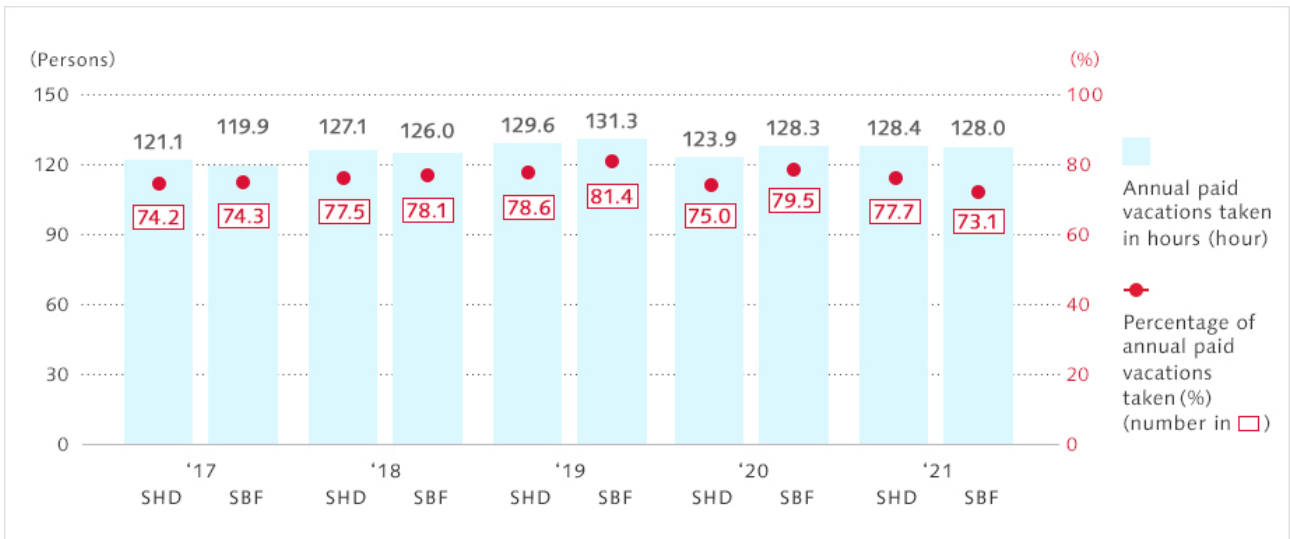


\*Official working hours in the standard Suntory Group offices are 7.5 hours a day, 121 vacation days and the annual total official working hours is 1,830 hours.

\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

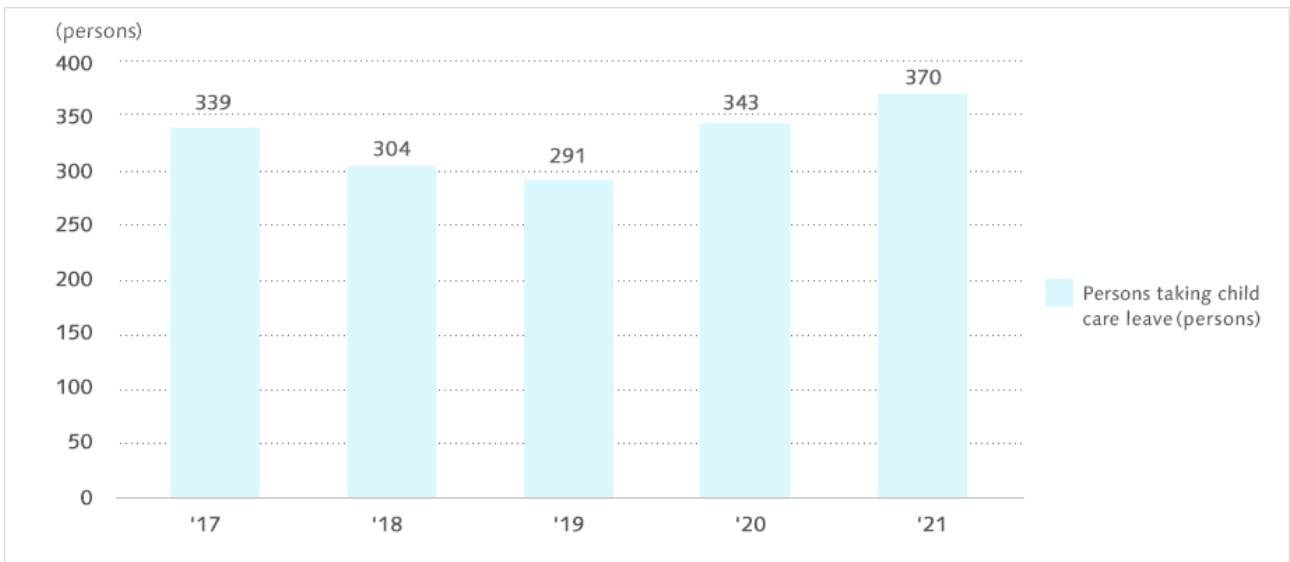
## Annual paid vacations taken



\*SHD: Suntory Holdings Ltd.

\*SBF: Suntory Beverage & Food Ltd.

## Results of Employees Taking Child Care Leave



## Change in the number of employees that took advantage of child or nursing care policies

(employees)

		2017	2018	2019	2020	2021	
Child and nursing care	Childcare leave	339	304	291	304	370	
	Shortened and staggered working hour for child care	Male	56	133	111	122	163
		Female	54	171	180	182	207
	Newly taking childcare leave	229	75	74	67	101	
	Number of employees returning after childcare leave	Male	155	117	114	127	124
		Female	70	75	75	79	80
	Number of employees that resigned during childcare leave	Male	0	0	0	0	0
		Female	3	0	0	0	4
	Ratio of employees returning after childcare leave	Male	100.0%	100.0%	100.0%	100.0%	100.0%
		Female	95.9%	100.0%	100.0%	100.0%	95.2%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	102	152	135	122	129
		Female	196	169	165	176	173
	Number of Employees Returning from Child Care Leave	Male	100%	97.44%	100.0%	100.0%	87.2%
		Female	98.5%	92.35%	96.5%	98.0%	88.7%
Telecommuting program		4,845	5,176	5,674	6,696	6,921	
Shortened and staggered working hour for child care		216	217	178	122	93	
Child support leave		583	599	650	555	537	
Babysitting Service		29	34	44	37	50	
Shortened and staggered working hour for nursing care		0	0	2	0	1	
Nursing leave		2	3	2	1	2	
Home helper		2	1	4	3	4	
Vacation	Refresh leave	801	824	886	485	694	

## Other Development Programs in Japan

Name	Description	Number of participants 2021	2011 ~2021
Career Challenge Program	Individual tailored program for junior employees to enhance skills needed for global business (language, cultural awareness, cross-cultural communication, leadership, logical thinking, management through figures, etc.)	7	83
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	3	32
Trainee program	Trainees brush up their professional skills, gain language and communication skills, global business skills, and leadership skills through the one year on-site training at overseas companies.	6	99

## Main self-development programs and the number of participants in FY2021

Type of training	Description	People
Elective training*	Elective training provides approximately 40 different types of courses (twice/year) with training designed to teach the necessary business skills to succeed in the career plans envisioned by our employees	1,243
Enhancing English ability*	This program provides various courses such as in-office English lessons and online lessons aimed to enhance business communications skills in English. A wide range of support content is available so that students can effectively take the course best suited for their skill level.	1,122
e-Learning	We offer programs from 5 external partners that you can take freely online. The programs cover a wide range of contents from business skill acquisition to private life-related matters. We support self learning anywhere during hiatus. This training program aims to heighten the ability to execute operations and gain the knowledge required for operational innovation. The courses include business skills, language acquisition, and computer skills.	1,350
Financial Support System for Attending School and Distance Learning	Suntory provides support for up to half the costs of schools and distance learning programs aimed at improving students skills (up to maximum limit). The courses that can be taken range from the skills necessary to execute operations (accounting, legal knowledge, etc.) to improving language skills and acquiring certifications	479

\*These are elective programs that employees can participate on their own accord which the company will take on some of the training costs

## ■ Number of workplace accidents

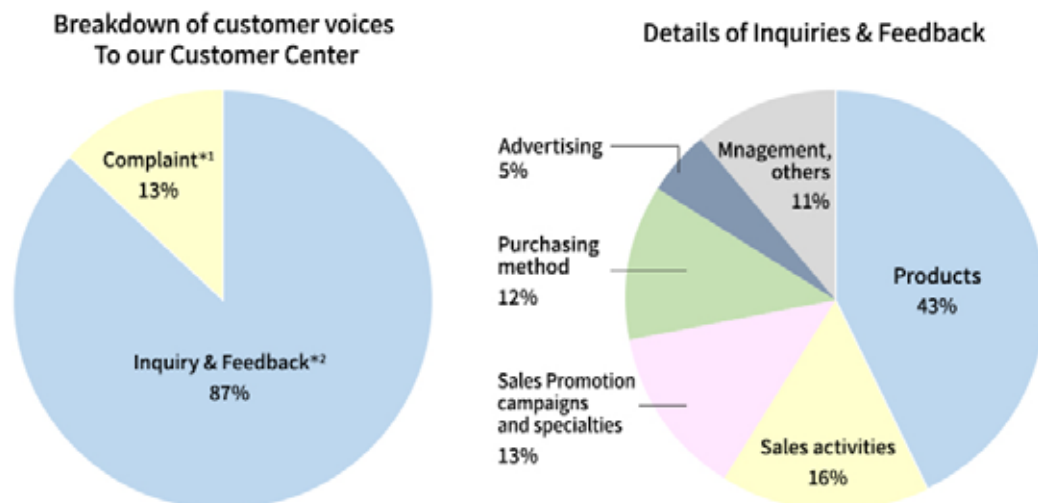
(accidents)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Number of occupational accidents (including paid leave and substitute leave)	3	2	3	4	0	6	1	3	0	3	1
Number of occupational accidents not accompanied by lost work time	10	8	12	13	8	18	12	21	14	13	7
Number of accidents resulting fatality			0	0	0	0	0	0	0	0	0
Total	13	10	15	17	8	24	13	24	14	16	8
Lost time injury/illness frequency rate	0.30	0.20	0.17	0.34	0.00	0.47	0.08	0.23	0.00	0.20	0.07★
Lost time injury/illness severity rate	0.005	0.009	0.002	0.004	0.000	0.003	0.000	0.001	0.000	0.010	0.000

\*Figures through 2012 are only for Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. The figures from 2014 onward include data on workplace accidents involving full-time employees, special contract employees, and part-time employees for the following Suntory Group companies in Japan: Suntory Holdings Ltd., Suntory Beverage & Food Group companies (Suntory Beverage & Food Ltd., Suntory Foods Ltd., Suntory Beverage Solution Ltd., Suntory Products Ltd.), Suntory Spirits Ltd., Suntory Wellness Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Business Systems Ltd., Suntory Communications Ltd., and Suntory Global Innovation Center Ltd. Since 2020, Suntory System Technology Limited has been added.

\*Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured value is indicated with ★.

## ■ Customer voices to our Customer Center (Results of 2021: Approx. 68,000)



\*1 Complaints: Includes expressions of dissatisfaction by customers about products or corporate activities

\*2 Inquiries and feedback: Includes a wide range of questions and opinions expressed by customers other than complaints

## ■ Main Donations

Year	Incident	Amount Donated	Beneficiary	News release
2010	2010 Canterbury (Christchurch) Earthquake (New Zealand's South Island)	3.25 million yen	Christchurch Earthquake Appeal Trust	
2010	Haund-foot-and-mouth Disease Outbreak in Miyazaki Prefecture	10 million yen	Miyazaki Prefecture, and the Miyazaki Community Chest Association Social Welfare Organization	Suntory Relief Aid for Haund-foot-and-mouth Disease in Miyazaki Prefecture (in Japanese only)
2010	Chilean Earthquake	50 million yen	Chile Embassy	Suntory Relief Aid for Earthquake Recovery in Chile
2010	Haiti Earthquake	10 million yen	The Japanese Red Cross Society	Suntory Haiti Earthquake Aid
2011	Thailand Floods	Approx. 2.5 million yen	The Government of the Kingdom of Thailand	Support for Recovery from Flood Damage in Thailand
2011	Christchurch Earthquake (New Zealand's South Island)	6.2 million yen	New Zealand Red Cross	Earthquake Relief Donation, to New Zealand
2011	Queensland Floods, Australia	8 million yen	Queensland Fund, Disaster Relief Appeal	Flood Relief Donation to Queensland, Australia
2011-	Great East Japan Earthquake	4.3 billion yen in 2011 2.0 billion yen in 2012 2.5 billion yen in 2013 2.0 billion yen in 2014 (total: 10.8 billion yen)	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Save The Children Japan, et al.	Relief Donation for Earthquake in the Tohoku Region of Japan
2014	Landslide disasters in Hiroshima	1 million yen	Chugoku Shimbun Social Welfare Services Corporation	
2015	Nepal Earthquake	3 million yen	Nepal Earthquake	
2016	Kumamoto Earthquake	100 million yen in May 2016 300 million yen in October 2016	Kumamoto Prefecture	Release of Contributions to Kumamoto Prefecture
2017	Storm Disaster in Northern Kyushu	Fukuoka Prefecture (5 million yen) Oita Prefecture (5 million yen)	Fukuoka Prefecture/Oita Prefecture	Relief Donation for the Storm Disaster in Northern Kyushu
2017	Massive Hurricane Disaster in United States	Approx. 110 million yen (1 million dollars)	American Red Cross	About Aid Following the Massive Hurricane Disasters in the United States
2017	Earthquake in Mexico	Approx. 22 million yen (200,000 dollars)	Mexican Red Cross	About Aid Following the Earthquake in Mexico
2017	Hurricane Maria, the Virgin Islands	Approx. 55 million yen (500,000 dollars)	Virgin Islands Aid Fund	
2018	Torrential Rains of July 2018 (in Western Japan)	900 million yen (Hiroshima, Okayama, and Ehime Prefectures received 300 million yen each)	Hiroshima Prefecture: Japanese Red Cross Society Hiroshima Okayama and Ehime Prefectures: Aid provided directly to each prefectural government	Information About the Donations for the Torrential Rains of July 2018
2018	Hokkaido Eastern Iburi Earthquake	100 million yen	Hokkaido	Information About Support Provided for the 2018 Hokkaido Eastern Iburi Earthquake



Year	Incident	Amount Donated	Beneficiary	News release
2018	Midousuji Gingko Namiki Damage by Typhoon No.21	50 million yen	Osaka City	
2019	Typhoon No.15	50 million yen	Chiba Prefecture	Suntory Pledges ¥50 million to support Typhoon No. 15 Relief and Recovery
2019	Typhoon No.19	550 million yen	Iwate Prefecture, Miyagi Prefecture, Fukushima Prefecture, Ibaraki Prefecture, Tochigi Prefecture, Gunma Prefecture, Saitama Prefecture, Kanagawa Prefecture, Niigata Prefecture, Nagano Prefecture and Shizuoka Prefecture	Suntory Pledges ¥550 million to support Typhoon No. 19 Relief and Recovery
2020	Bushfire Relife and recovery in Australia	\$500,000 AUD	Australian Red Cross, the New South Wales Rural Fire Service and the New South Wales Wildlife Information Rescue and Education Service (WIRES)	SUNTORY GROUP PLEDGES \$500,000 TO SUPPORT BUSHFIRE RELIEF AND RECOVERY IN AUSTRALIA
2020	Support for Kumamoto Torrential Rains	50 million yen	Kumamoto Prefecture	Suntory Pledges ¥50 million to support the Relief and Recovery of the Kumamoto area affected by the heavy rain
2021	COVID-19 Relief in India	\$600,000 (approx. INR 44,184,000)	British Asian Trust Confederation of Indian Industry National Restaurant Association of India Government-led relief efforts	Suntory Holdings and Beam Suntory Donate \$600,000 to Organizations Supporting COVID-19 Relief in India
2021	Tornados in Kentucky	\$1 million	Team Western Kentucky Tornado Relief Fund American Red Cross's Disaster Relief Fund	SUNTORY HOLDINGS AND BEAM SUNTORY CONTRIBUTE \$1 MILLION TO SUPPORT RECOVERY FROM DEVASTATING TORNADOS IN KENTUCKY
2022	Tonga's Volcanic Eruption and Tsunami	US \$87,700 (10 million Japanese yen)	Kingdom of Tonga	Suntory Group to Donate Over US \$100,000 to Support Tonga's Volcanic Eruption and Tsunami Response
2022	Humanitarian Assistance in Ukraine	\$600,000	Humanitarian organizations such as the United Nations World Food Programme (WFP)	Suntory Group to Support Humanitarian Relief Efforts in Ukraine

# GRI Standards Content Index

This website is created in accordance with "Core" level of the Sustainability Reporting Standard of the Global Reporting Initiative (GRI).

## Universal Disclosures

No	Disclosure Title	Description	Reference page title
<b>Organizational profile</b>			
102-1	Name of the organization	a. Name of the organization	· Overview
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets.	· Our Business
102-3	Location of headquarters	a. Location of the organization's headquarters.	· Overview
102-4	Location of operations	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	· Group Companies
102-5	Ownership and legal form	a. Nature of ownership and legal form.	· Overview
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; iii. types of customers and beneficiaries.	· Group Companies
102-7	Scale of the organization	a. Scale of the organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for private sector organizations) or net revenues (for public sector organizations); iv. total capitalization (for private sector organizations) broken down in terms of debt and equity; v. quantity of products or services provided.	· Overview
102-8	Information on employees and other workers	a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees. e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries). f. An explanation of how the data have been compiled, including any assumptions made.	· Employment Status

102-9	Supply chain	a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.	<ul style="list-style-type: none"> <li>• Sustainable Procurement</li> <li>• Quality Assurance from a Customer Perspective in All Processes</li> </ul>
102-10	Significant changes to the organization and its supply chain	<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>Markets served, including:</p> <p>i. changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>ii. changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	Not applicable within this reporting period
102-11	Precautionary Principle or approach	a. Whether and how the organization applies the Precautionary Principle or approach.	<ul style="list-style-type: none"> <li>• Business Activities and Environmental Impact</li> <li>• Environmental Management</li> </ul>
102-12	External initiatives	a. A list of externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses.	<ul style="list-style-type: none"> <li>• Reducing Harmful Drinking: Global Initiatives to Reduce Alcohol Issues</li> <li>• Suntory's Sustainable Management: Joining the United Nations Global Compact, Endorsing the CEO Water Mandate</li> <li>• Environmental Vision</li> <li>• The Alliance for Water Stewardship(AWS) certification</li> <li>• Suntory Group Plastic Policy</li> <li>• Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)</li> </ul>
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	
<b>Strategy</b>			
102-14	Statement from senior decision-maker	a. A statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.	<ul style="list-style-type: none"> <li>• Top Commitment</li> </ul>
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	<ul style="list-style-type: none"> <li>• Business Activities and Environmental Impact: Assessing Water Risk</li> <li>• Suntory Group Sustainability Vision</li> <li>• Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations</li> <li>• Securities Report P15-20: Business Risks (Only in Japanese)</li> </ul>
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	a. A description of the organization's values, principles, standards, and norms of behavior.	<ul style="list-style-type: none"> <li>• Suntory's Sustainable Management: Suntory Group Philosophy</li> </ul>
102-17	Mechanisms for advice and concerns about ethics	<p>a. A description of internal and external mechanisms for:</p> <p>i. seeking advice about ethical and lawful behavior, and organizational integrity;</p> <p>ii. reporting concerns about unethical or unlawful behavior, and organizational integrity.</p>	<ul style="list-style-type: none"> <li>• Compliance: Enhancing the Hotline for Early Discovery and Resolution of Problems</li> </ul>

Governance			
102-18	Governance structure	<p>a. Composition of the highest governance body and its committees</p> <p>b. Committees responsible for decision-making on economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
102-19	Delegating authority	<p>a. Process for delegating authority for economic, environmental, and social topics from the highest governance body to senior executives and other employees.</p>	<ul style="list-style-type: none"> <li>• Sustainability Vision: Promoting Sustainability Management</li> </ul>
102-20	Executive-level responsibility for economic, environmental, and social topics	<p>a. Whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental, and social topics.</p> <p>b. Whether post holders report directly to the highest governance body.</p>	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
102-21	Consulting stakeholders on economic, environmental, and social topics	<p>a. Processes for consultation between stakeholders and the highest governance body on economic, environmental, and social topics.</p> <p>b. If consultation is delegated, describe to whom it is delegated and how the resulting feedback is provided to the highest governance body.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> </ul>
102-22	Composition of the highest governance body and its committees	<p>a. Composition of the highest governance body and its committees</p> <p>i. executive or non-executive;</p> <p>ii. independence;</p> <p>iii. tenure on the governance body;</p> <p>iv. number of each individual's other significant positions and commitments, and the nature of the commitments;</p> <p>v. gender;</p> <p>vi. membership of under-represented social groups;</p> <p>vii. competencies relating to economic, environmental, and social topics;</p> <p>viii. stakeholder representation.</p>	<ul style="list-style-type: none"> <li>• Securities Report P43-47: Officers (Only in Japanese)</li> </ul>
102-23	Chair of the highest governance body	<p>a. Whether the chair of the highest governance body is also an executive officer in the organization.</p> <p>b. If the chair is also an executive officer, describe his or her function within the organization's management and the reasons for this arrangement.</p>	
102-24	Nominating and selecting the highest governance body	<p>a. Nomination and selection processes for the highest governance body and its committees.</p> <p>b. Criteria used for nominating and selecting highest governance body members, including whether and how:</p> <p>i. stakeholders (including shareholders) are involved;</p> <p>ii. diversity is considered;</p> <p>iii. independence is considered;</p> <p>iv. expertise and experience relating to economic, environmental, and social topics are considered.</p>	

102-25	Conflicts of interest	<p>a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed.</p> <p>b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum:</p> <p>i. cross-board membership;</p> <p>ii. cross-shareholding with suppliers and other stakeholders;</p> <p>iii. existence of controlling shareholder;</p> <p>iv. related party disclosures.</p>	
102-26	Role of highest governance body in setting purpose, values, and strategy	<p>a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
102-27	Collective knowledge of highest governance body	<p>a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.</p>	
102-28	Evaluating the highest governance body's performance	<p>a. Processes for evaluating the highest governance body's performance with respect to governance of economic, environmental, and social topics.</p> <p>b. Whether such evaluation is independent or not, and its frequency.</p> <p>c. Whether such evaluation is a self-assessment.</p> <p>d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.</p>	
102-29	Identifying and managing economic, environmental, and social impacts	<p>a. Highest governance body's role in identifying and managing economic, environmental, and social topics and their impacts, risks, and opportunities — including its role in the implementation of due diligence processes.</p> <p>b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<ul style="list-style-type: none"> <li>• Basic Concepts and Operations for the Internal Control System</li> </ul>
102-30	Effectiveness of risk management processes	<p>a. Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental, and social topics.</p>	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Basic Concepts and Operations for the Internal Control System</li> </ul>
102-31	Review of economic, environmental, and social topics	<p>a. Frequency of the highest governance body's review of economic, environmental, and social topics and their impacts, risks, and opportunities.</p>	<ul style="list-style-type: none"> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
102-32	Highest governance body's role in sustainability reporting	<p>a. The highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material topics are covered.</p>	<ul style="list-style-type: none"> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
102-33	Communicating critical concerns	<p>a. Process for communicating critical concerns to the highest governance body.</p>	<ul style="list-style-type: none"> <li>• Basic Concepts and Operations for the Internal Control System</li> </ul>
102-34	Nature and total number of critical concerns	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p> <p>b. Mechanism(s) used to address and resolve critical concerns.</p>	

102-35	Remuneration policies	<p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration:</p> <p>i. fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares;</p> <p>ii. sign-on bonuses or recruitment incentive payments;</p> <p>iii. termination payments;</p> <p>iv. clawbacks;</p> <p>v. retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees.</p> <p>b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.</p>	
102-36	Process for determining remuneration	<p>a. Process for determining remuneration</p> <p>b. Whether remuneration consultants are involved in determining remuneration and whether they are independent of management.</p> <p>c. Any other relationships that the remuneration consultants have with the organization.</p>	
102-37	Stakeholders' involvement in remuneration	<p>a. How stakeholders' views are sought and taken into account regarding remuneration.</p> <p>b. If applicable, the results of votes on remuneration policies and proposals.</p>	
102-38	Annual total compensation ratio	<p>a. Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	
102-39	Percentage increase in annual total compensation ratio	<p>a. Ratio of the percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	<p>a. A list of stakeholder groups engaged by the organization.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Suntory's Sustainable Management: Relations with Stakeholders</li> </ul>
102-41	Collective bargaining agreements	<p>a. Percentage of total employees covered by collective bargaining agreements.</p>	<ul style="list-style-type: none"> <li>• Labor/Management Relations: Creating Employee-Friendly Workplaces</li> </ul>
102-42	Identifying and selecting stakeholders	<p>a. The basis for identifying and selecting stakeholders with whom to engage.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Suntory's Sustainable Management: Relations with Stakeholders</li> </ul>
102-43	Approach to stakeholder engagement	<p>a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Labor/Management Relations</li> </ul>

102-44	Key topics and concerns raised	<p>a. Key topics and concerns that have been raised through stakeholder engagement, including:</p> <p>i. how the organization has responded to those key topics and concerns, including through its reporting;</p> <p>ii. the stakeholder groups that raised each of the key topics and concerns.</p>	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Respect for Human Rights: Dialogue with Experts</li> <li>• Communicating with Customers : Responding, Sharing and Utilizing Customer Feedback</li> </ul>
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	<p>a. A list of all entities included in the organization's consolidated financial statements or equivalent documents.</p> <p>b. Whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	<ul style="list-style-type: none"> <li>• Securities Report P8-9: Related Companies (Only in Japanese)</li> </ul>
102-46	Defining report content and topic Boundaries	<p>a. An explanation of the process for defining the report content and the topic Boundaries.</p> <p>b. An explanation of how the organization has implemented the Reporting Principles for defining report content.</p>	<ul style="list-style-type: none"> <li>• Suntory's Sustainable Management: Four Sustainability Initiatives</li> <li>• Suntory Group Sustainability Vision: Important sustainability themes for the Suntory Group</li> </ul>
102-47	List of material topics	<p>a. A list of the material topics identified in the process for defining report content.</p>	<ul style="list-style-type: none"> <li>• Suntory's Sustainable Management: Four Sustainability Initiatives</li> <li>• Suntory Group Sustainability Vision: Important sustainability themes for the Suntory Group</li> </ul>
102-48	Restatements of information	<p>a. The effect of any restatements of information given in previous reports, and the reasons for such restatements.</p>	Not applicable within this reporting period
102-49	Changes in reporting	<p>a. Significant changes from previous reporting periods in the list of material topics and topic boundaries.</p>	Not applicable within this reporting period
102-50	Reporting period	<p>a. Reporting period for the information provided.</p>	<ul style="list-style-type: none"> <li>• Editorial Policy on Sustainability Information: Time Frame</li> </ul>
102-51	Date of most recent report	<p>a. If applicable, the date of the most recent previous report.</p>	<ul style="list-style-type: none"> <li>• Editorial Policy on Sustainability Information: Published</li> </ul>
102-52	Reporting cycle	<p>a. Reporting cycle</p>	<ul style="list-style-type: none"> <li>• Editorial Policy on Sustainability Information: Published</li> </ul>
102-53	Contact point for questions regarding the report	<p>a. The contact point for questions regarding the report or its contents.</p>	<ul style="list-style-type: none"> <li>• Editorial Policy on Sustainability Information: We welcome your feedback</li> </ul>
102-54	Claims of reporting in accordance with the GRI Standards	<p>a. The claim made by the organization, if it has prepared a report in accordance with the GRI Standards, either:</p> <p>i. 'This report has been prepared in accordance with the GRI Standards: Core option';</p> <p>ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'</p>	Our sustainability reporting is done in accordance with "Core" level of the GRI Standards.

102-55	GRI content index	<p>a.The GRI content index, which specifies each of the GRI Standards used and lists all disclosures included in the report.</p> <p>b.For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure (for disclosures covered by the GRI Standards);</p> <p>ii.the page number(s) or URL(s) where the information can be found, either within the report or in other published materials;</p> <p>iii.if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p>	<ul style="list-style-type: none"> <li>• GRI Standards Content Index</li> </ul>
102-56	External assurance	<p>a.A description of the organization’s policy and current practice with regard to seeking external assurance for the report.</p> <p>b.If the report has been externally assured:</p> <p>i. a reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii.the relationship between the organization and the assurance provider;</p> <p>iii.whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.</p>	<ul style="list-style-type: none"> <li>• Independent assurance report</li> </ul>
<b>103 : Management Approach</b>			
103-1	Explanation of the material topic and its Boundary	<p>a.An explanation of why the topic is material.</p> <p>b.The Boundary for the material topic, which includes a description of:</p> <p>i.where the impacts occur;</p> <p>ii.the organization's involvement with the impacts. For example, whether the organization has caused or contributed to the impacts, or is directly linked to the impacts through its business relationships.</p> <p>c.Any specific limitation regarding the topic Boundary.</p>	<ul style="list-style-type: none"> <li>• Business Activities and Environmental Impact</li> <li>• Suntory’s Sustainable Management: Four Sustainability Initiatives</li> <li>• Suntory Group Sustainability Vision: Important sustainability themes for the Suntory Group</li> </ul>



103-2	The management approach and its components	<p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policy</p> <p>ii. commitments</p> <p>iii. goals and targets</p> <p>iv. Responsibility</p> <p>v. resources</p> <p>vi. Customer Complaint Response Mechanism</p> <p>vii. specific actions, such as processes, projects, programs and initiatives</p>	<ul style="list-style-type: none"> <li>• Environmental Vision: Basic Principles of Suntory Group's Environmental Principles</li> <li>• Sustainable Procurement: The Suntory Group's Basic Policy on Supply Chain Sustainability</li> <li>• Respect for Human Rights: Suntory Group Human Rights Policy</li> <li>• Promotion of Group Quality Management: Suntory Quality Policy</li> <li>• Basic Policy on Social Activities : Suntory Group Basic Policy on Social Activities</li> <li>• Communicating with Customers : Basic Policy on Customer Satisfaction and Course of Action</li> <li>• Promotion of Group Quality Management</li> <li>• Compliance</li> <li>• Suntory Group Sustainability Vision: Promotion Organization</li> </ul>
103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach;</p> <p>iii. any related adjustments to the management approach.</p>	<ul style="list-style-type: none"> <li>• Suntory Group ISO 14001 Certification List</li> <li>• The Alliance for Water Stewardship (AWS) certification</li> <li>• Quality Assurance from a Customer Perspective in All Processes</li> <li>• Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations</li> <li>• Major Sustainability Data</li> </ul>

## Topic-specific Disclosures

No	Disclosure Title	Description	Reference page title
<b>Economic</b>			
201:Economic Performance			
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&amp;D) on an accruals basis, including the basic components for the organization's global operations as listed below. If data are presented on a cash basis, report the justification for this decision in addition to reporting the following basic components:</p> <p>i. Direct economic value generated: revenues;</p> <p>ii. Economic value distributed: operating costs, employee wages and benefits, payments to providers of capital, payments to government by country, and community investments;</p> <p>iii. Economic value retained: 'direct economic value generated' less 'economic value distributed'.</p> <p>b. Where significant, report EVG&amp;D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	<ul style="list-style-type: none"> <li>Major Sustainability Data: Economic contribution</li> <li>Securities Report P2: Part 1 Company Overview &gt; Change in Major Management Indices &gt; Consolidated Management Indices (Only in Japanese)</li> <li>Securities Report P4: Management Index of the Company (Only in Japanese)</li> </ul>
201-2	Financial implications and other risks and opportunities due to climate change	<p>a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including:</p> <p>i. a description of the risk or opportunity and its classification as either physical, regulatory, or other;</p> <p>ii. a description of the impact associated with the risk or opportunity;</p> <p>iii. the financial implications of the risk or opportunity before action is taken;</p> <p>iv. the methods used to manage the risk or opportunity;</p> <p>v. the costs of actions taken to manage the risk or opportunity.</p>	<ul style="list-style-type: none"> <li>Environmental Management: Introducing Environmental Accounting</li> <li>Business Activities and Environmental Impact: Quantitative Evaluation Through Natural Capital</li> <li>Environmental Vision: Environmental Vision toward 2050</li> <li>Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations</li> <li>Securities Report P15-20: Business Risks</li> </ul>
201-3	Defined benefit plan obligations and other retirement plans	<p>a. If the plan's liabilities are met by the organization's general resources, the estimated value of those liabilities.</p> <p>b. If a separate fund exists to pay the plan's pension liabilities:</p> <p>i. the extent to which the scheme's liabilities are estimated to be covered by the assets that have been set aside to meet them;</p> <p>ii. the basis on which that estimate has been arrived at;</p> <p>iii. when that estimate was made.</p> <p>c. If a fund set up to pay the plan's pension liabilities is not fully covered, explain the strategy, if any, adopted by the employer to work towards full coverage, and the timescale, if any, by which the employer hopes to achieve full coverage.</p> <p>d. Percentage of salary contributed by employee or employer.</p> <p>e. Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact.</p>	<ul style="list-style-type: none"> <li>Securities Report P85-88: Post-employment benefit plans</li> </ul>

201-4	Financial assistance received from government	<p>a.Total monetary value of financial assistance</p> <p>i.tax relief and tax credits;</p> <p>ii.subsidies;</p> <p>iii.investment grants, research and development grants, and other relevant types of grant;</p> <p>iv.awards;</p> <p>v.royalty holidays;</p> <p>vi.financial assistance from Export Credit Agencies (ECAs);</p> <p>vii.financial incentives;</p> <p>viii.other financial benefits received or receivable from any government for any operation.</p> <p>b.The information in 201-4-a by country.</p> <p>c.Whether, and the extent to which, any government is present in the shareholding structure.</p>	Not applicable within this reporting period
202:Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<p>a. When a significant proportion of employees are compensated based on wages subject to minimum wage rules, report the relevant ratio of the entry level wage by gender at significant locations of operation to the minimum wage.</p> <p>b. When a significant proportion of other workers (excluding employees) performing the organization's activities are compensated based on wages subject to minimum wage rules, describe the actions taken to determine whether these workers are paid above the minimum wage.</p> <p>c. Whether a local minimum wage is absent or variable at significant locations of operation, by gender. In circumstances in which different minimums can be used as a reference, report which minimum wage is being used.</p> <p>d. The definition used for 'significant locations of operation'.</p>	Not applicable within this reporting period
202-2	Proportion of senior management hired from the local community	<p>a. Percentage of senior management at significant locations of operation that are hired from the local community.</p> <p>b. The definition used for 'senior management'.</p> <p>c. The organization's geographical definition of 'local'.</p> <p>d. The definition used for 'significant locations of operation'.</p>	<ul style="list-style-type: none"> <li>• Basic Policy on Human Resource: Commitment to Local Employment</li> </ul>
203:Indirect Economic Impacts			
203-1	Infrastructure investments and services supported	<p>a. Extent of development of significant infrastructure investments and services supported.</p> <p>b. Current or expected impacts on communities and local economies, including positive and negative impacts where relevant.</p> <p>c. Whether these investments and services are commercial, in-kind, or pro bono engagements.</p>	<ul style="list-style-type: none"> <li>• Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)</li> <li>• Bird Conservation Activities</li> <li>• Social Welfare</li> <li>• Arts, Culture and Academic Activities</li> </ul>
203-2	Significant indirect economic impacts	<p>a. Examples of significant identified indirect economic impacts of the organization, including positive and negative impacts.</p> <p>b. Significance of the indirect economic impacts in the context of external benchmarks and stakeholder priorities, such as national and international standards, protocols, and policy agendas.</p>	Not applicable within this reporting period

204:Procurement Practices			
204-1	Proportion of spending on local suppliers	<p>a. Percentage of the procurement budget used for significant locations of operation that is spent on suppliers local to that operation (such as percentage of products and services purchased locally).</p> <p>b. The organization's geographical definition of 'local'.</p> <p>c. The definition used for 'significant locations of operation'.</p>	<ul style="list-style-type: none"> <li>· Sustainable Procurement: Procurement Ratio by Supplier Region</li> </ul>
205:Anti Corruption			
205-1	Operations assessed for risks related to corruption	<p>a. Total number and percentage of operations assessed for risks related to corruption.</p> <p>b. Significant risks related to corruption identified through the risk assessment.</p>	<ul style="list-style-type: none"> <li>· Risk Management : Risk Assessment for Corruption</li> </ul>
205-2	Communication and training about anti-corruption policies and procedures	<p>a. Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>b. Total number and percentage of employees that the organization's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>c. Total number and percentage of business partners that the organization's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organizations.</p> <p>d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.</p> <p>e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	<ul style="list-style-type: none"> <li>· Compliance</li> <li>· Risk Management: Anti-bribery</li> </ul>
205-3	Confirmed incidents of corruption and actions taken	<p>a. Total number and nature of confirmed incidents of corruption.</p> <p>b. Total number of confirmed incidents in which employees were dismissed or disciplined for corruption.</p> <p>c. Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption.</p> <p>d. Public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.</p>	<p>Not applicable within this reporting period</p>
206:Anti competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<p>a. Number of legal actions pending or completed during the reporting period regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which the organization has been identified as a participant.</p> <p>b. Main outcomes of completed legal actions, including any decisions or judgments.</p>	<p>Not applicable within this reporting period</p>
207:TAX			
207-1	Approach to tax	<p>a. Describes its approach to tax;</p> <p>b. Reports whether it has a tax strategy and the position that reviews and approves the strategy;</p> <p>c. Reports its approach to regulatory compliance;</p> <p>d. Reports how the approach to tax is linked to the business and sustainability strategies</p>	<ul style="list-style-type: none"> <li>· Global Tax Policy</li> <li>· SBF Global Tax Policy</li> </ul>

207-2	Tax governance, control, and risk management	a. Describes the tax governance and control framework; b. Outlines the mechanisms in for reporting concerns about unethical or unlawful behavior related to tax; c. Describes the assurance process for disclosure related to tax	<ul style="list-style-type: none"> <li>Global Tax Policy</li> <li>SBF Global Tax Policy</li> </ul>
207-3	Stakeholder engagement and management of concerns related to tax	a. Describes the approach to stakeholder engagement and management of stakeholder concerns related to tax; b. Reports the processes in place for collecting and considering the concerns of stakeholders	<ul style="list-style-type: none"> <li>Global Tax Policy</li> <li>SBF Global Tax Policy</li> </ul>
207-4	Country-by-country reporting	a. Provides a geographical distribution of an organization's economic activities, profits and tax payments	
<b>Environment</b>			
<b>301: Materials</b>			
301-1	Materials used by weight or volume	a. Total weight or volume of materials that are used to produce and package the organization's primary products and services during the reporting period, by: i. non-renewable materials used; ii. renewable materials used.	<ul style="list-style-type: none"> <li>Major Sustainability Data : Overview of business activities and environmental impact</li> </ul>
301-2	Recycled input materials used	a. Percentage of recycled input materials used to manufacture the organization's primary products and services.	
301-3	Reclaimed products and their packaging materials	a. Percentage of reclaimed products and their packaging materials for each product category. b. How the data for this disclosure have been collected.	<ul style="list-style-type: none"> <li>Major Sustainability Data : By-products and Waste generation, recycling rate and the purpose of use for recycled products</li> <li>Major Sustainability Data : Environmental Data</li> </ul>
<b>302 : Energy</b>			
302-1	Energy consumption within the organization	a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: i. Power consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used.	<ul style="list-style-type: none"> <li>Major Sustainability Data: Overview of business activities and environmental impact</li> </ul>

302-2	Energy consumption outside of the organization	<p>a. Energy consumption outside of the organization, in joules or multiples.</p> <p>b. Standards, methodologies, assumptions, and/or calculation tools used.</p> <p>c. Source of the conversion factors used.</p>	
302-3	Energy intensity	<p>a. Energy intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>d. Whether the ratio uses energy consumption within the organization, outside of it, or both.</p>	
302-4	Reduction of energy consumption	<p>a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples.</p> <p>b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all.</p> <p>c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>Major Sustainability Data: Environmental Preservation Effect of Suntory Group (production sites in Japan)</li> </ul>
302-5	Reductions in energy requirements of products and services	<p>a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples.</p> <p>b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	
303:Water and Effluents 2018			
303-1	Interactions with water as a shared resource	<p>a. A description of how the organization interacts with water, including how and where water is withdrawn, consumed, and discharged, and the water-related impacts caused or contributed to, or directly linked to the organization's activities, products or services by a business relationship (e.g., impacts caused by runoff).</p> <p>b. A description of the approach used to identify water-related impacts, including the scope of assessments, their timeframe, and any tools or methodologies used.</p> <p>c. A description of how water-related impacts are addressed, including how the organization works with stakeholders to steward water as a shared resource, and how it engages with suppliers or customers with significant water-related impacts.</p> <p>d. An explanation of the process for setting any water-related goals and targets that are part of the organization's management approach, and how they relate to public policy and the local context of each area with water stress.</p>	<ul style="list-style-type: none"> <li>Water Sustainability</li> <li>Sustainable Water Philosophy</li> <li>Environmental Vision : Environmental Vision toward 2050 and Environmental Targets toward 2030</li> <li>Water Risk Assessment of Suntory Group's Own Plants</li> <li>The Alliance for Water Stewardship (AWS) certification</li> </ul>

303-2	Management of water discharge-related impacts	<p>a. A description of any minimum standards set for the quality of effluent discharge, and how these minimum standards were determined, including:</p> <ul style="list-style-type: none"> <li>i. how standards for facilities operating in locations with no local discharge requirements were determined;</li> <li>ii. any internally developed water quality standards or guidelines;</li> <li>iii. any sector-specific standards considered;</li> <li>iv. whether the profile of the receiving waterbody was considered.</li> </ul>	<ul style="list-style-type: none"> <li>· Effective Use of Water Resources : Comprehensive Waste Water Management</li> </ul>
303-3	Water withdrawal	<p>a. Total water withdrawal from all areas in megaliters, and a breakdown of this total by the following sources, if applicable:</p> <ul style="list-style-type: none"> <li>i. Surface water;</li> <li>ii. Groundwater;</li> <li>iii. Seawater;</li> <li>iv. Produced water;</li> <li>v. Third-party water.</li> </ul> <p>b. Total water withdrawal from all areas with water stress in megaliters, and a breakdown of this total by the following sources, if applicable:</p> <ul style="list-style-type: none"> <li>i. Surface water;</li> <li>ii. Groundwater;</li> <li>iii. Seawater;</li> <li>iv. Produced water;</li> <li>v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv.</li> </ul> <p>c. A breakdown of total water withdrawal from each of the sources listed in Disclosures 303-3-a and 303-3-b in megaliters by the following categories:</p> <ul style="list-style-type: none"> <li>i. Freshwater (<math>\leq 1,000</math> mg/l Total Dissolved Solids);</li> <li>ii. Other water (<math>&gt; 1,000</math> mg/l Total Dissolved Solids).</li> </ul> <p>d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>· Effective Use of Water Resources : Amount of water usage by water source</li> </ul>

303-4	Water discharge	<p>a.Total water discharge to all areas in megaliters, and a breakdown of this total by the following types of destination, if applicable:</p> <p>i.Surface water;</p> <p>ii.Groundwater;</p> <p>iii.Seawater;</p> <p>iv.Third-party water, and the volume of this total sent for use to other organizations, if applicable.</p> <p>b.A breakdown of total water discharge to all areas in megaliters by the following categories:</p> <p>i.Freshwater (<math>\leq 1,000</math> mg/l Total Dissolved Solids);</p> <p>ii.Other water (<math>&gt; 1,000</math> mg/l Total Dissolved Solids).</p> <p>c.Total water discharge to all areas with water stress in megaliters, and a breakdown of this total by the following categories:</p> <p>i.Freshwater (<math>\leq 1,000</math> mg/l Total Dissolved Solids);</p> <p>ii.Other water (<math>&gt; 1,000</math> mg/l Total Dissolved Solids).</p> <p>d.Priority substances of concern for which discharges are treated, including:</p> <p>i. how priority substances of concern were defined, and any international standard, authoritative list, or criteria used;</p> <p>ii. the approach for setting discharge limits for priority substances of concern;</p> <p>iii.number of incidents of non-compliance with discharge limits.</p> <p>e.Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>Effective Use of Water Resources : Water discharge</li> </ul>
303-5	Water consumption	<p>a.Total water consumption from all areas in megaliters.</p> <p>b.Total water consumption from all areas with water stress in megaliters.</p> <p>c. Change in water storage in megaliters, if water storage has been identified as having a significant water-related impact.</p> <p>d. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used, including whether the information is calculated, estimated, modeled, or sourced from direct measurements, and the approach taken for this, such as the use of any sector-specific factors.</p>	<ul style="list-style-type: none"> <li>Effective Use of Water Resources : Water use</li> </ul>
304:Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<p>a.For each operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas, the following information:</p> <p>i.geographic location;</p> <p>ii.subsurface and underground land that may be owned, leased, or managed by the organization;</p> <p>iii.position in relation to the protected area (in the area, adjacent to, or containing portions of the protected area) or the high biodiversity value area outside protected areas;</p> <p>iv.type of operation (office, manufacturing or production, or extractive);</p> <p>v.size of operational site in km<sup>2</sup> (or another unit, if appropriate);</p> <p>vi.biodiversity value characterized by the attribute of the protected area or area of high biodiversity value outside the protected area (terrestrial, freshwater, or maritime ecosystem);</p> <p>vii.biodiversity value characterized by listing of protected status (such as IUCN Protected Area Management Categories, Ramsar Convention, national legislation).</p>	<ul style="list-style-type: none"> <li>Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity) : Participate in "30by30 Alliance for Biodiversity" in Japan</li> </ul>



304-2	Significant impacts of activities, products, and services on biodiversity	<p>a. Nature of significant direct and indirect impacts on biodiversity with reference to one or more of the following:</p> <ul style="list-style-type: none"> <li>i. construction or use of manufacturing plants, mines, and transport infrastructure;</li> <li>ii. pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources);</li> <li>iii. introduction of invasive species, pests, and pathogens;</li> <li>iv. reduction of species;</li> <li>v. habitat conversion;</li> <li>vi. changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level).</li> </ul> <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> <li>i. species affected;</li> <li>ii. extent of areas impacted;</li> <li>iii. duration of impacts;</li> <li>iv. reversibility or irreversibility of the impacts.</li> </ul>	
304-3	Habitats protected or restored	<p>a. Size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals.</p> <p>b. Whether partnerships exist with third parties to protect or restore habitat areas distinct from where the organization has overseen and implemented restoration or protection measures.</p> <p>c. Status of each area based on its condition at the close of the reporting period.</p> <p>d. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>· Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)</li> <li>· Bird Conservation Activities</li> </ul>
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	<p>a. Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk:</p> <ul style="list-style-type: none"> <li>i. critically endangered</li> <li>ii. endangered</li> <li>iii. vulnerable</li> <li>iv. near threatened</li> <li>v. least concern</li> </ul>	Not applicable within this reporting period
305: Emissions			
305-1	Direct (Scope 1) GHG emissions	<p>a. Gross direct (Scope 1) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> <li>i. the rationale for choosing it;</li> <li>ii. emissions in the base year;</li> <li>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</li> </ul> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>· Major Sustainability Data : Scope 1/Scope 2 emissions</li> </ul>

305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>d. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>f. Consolidation approach for emissions; whether equity share, financial control, or operational control.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>· Major Sustainability Data : Scope 1/Scope 2 emissions</p>
305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Biogenic CO<sub>2</sub> emissions in metric tons of CO<sub>2</sub> equivalent.</p> <p>d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation.</p> <p>e. Base year for the calculation, if applicable, including:</p> <p>i. the rationale for choosing it;</p> <p>ii. emissions in the base year;</p> <p>iii. the context for any significant changes in emissions that triggered recalculations of base year emissions.</p> <p>f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source.</p> <p>g. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>· Major Sustainability Data : Scope 3 Emissions (Suntory Group)</p>
305-4	GHG emissions intensity	<p>a. GHG emissions intensity ratio for the organization.</p> <p>b. Organization-specific metric (the denominator) chosen to calculate the ratio.</p> <p>c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>d. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p>	
305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO<sub>2</sub> equivalent.</p> <p>b. Gases included in the calculation; whether CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, or all.</p> <p>c. Base year or baseline, including the rationale for choosing it.</p> <p>d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3).</p> <p>e. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<p>· Major Sustainability Data: Environmental Preservation Effect of Suntory Group (production sites in Japan)</p>
305-6	Emissions of ozone-depleting substances (ODS)	<p>a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent.</p> <p>b. Substances included in the calculation.</p> <p>c. Source of the emission factors used.</p> <p>d. Standards, methodologies, assumptions, and/or calculation tools used.</p>	

305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<p>a. Significant air emissions, in kilograms or multiples, for each of the following:</p> <ul style="list-style-type: none"> <li>i. NOx</li> <li>ii. SOx</li> <li>iii. persistent organic pollutants (POP)</li> <li>iv. volatile organic compounds (VOC)</li> <li>v. hazardous air pollutants (HAP)</li> <li>vi. particulate matter (PM)</li> <li>vii. other standard categories of air emissions identified in relevant regulations</li> </ul> <p>b. Source of the emission factors used.</p> <p>c. Standards, methodologies, assumptions, and/or calculation tools used.</p>	<ul style="list-style-type: none"> <li>• Major Sustainability Data: Preventing Air Pollution</li> </ul>
306: Effluents and Waste			
306-1	Water discharge by quality and destination	<p>a. Total volume of planned and unplanned water discharges by:</p> <ul style="list-style-type: none"> <li>i. destination;</li> <li>ii. quality of the water, including treatment method;</li> <li>iii. whether the water was reused by another organization.</li> </ul> <p>b. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>• Effective Use of Water Resources : Water discharge</li> </ul>
306-2	Waste by type and disposal method	<p>a. Total weight of hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> <li>i. reuse</li> <li>ii. recycling</li> <li>iii. composting</li> <li>iv. recovery, including energy recovery</li> <li>v. incineration (mass burn)</li> <li>vi. deep well injection</li> <li>vii. landfill</li> <li>viii. on-site storage</li> <li>ix. other (to be specified by the organization)</li> </ul> <p>b. Total weight of non-hazardous waste, with a breakdown by the following disposal methods where applicable:</p> <ul style="list-style-type: none"> <li>i. reuse</li> <li>ii. recycling</li> <li>iii. composting</li> <li>iv. recovery, including energy recovery</li> <li>v. incineration (mass burn)</li> <li>vi. deep well injection</li> <li>vii. landfill</li> <li>viii. on-site storage</li> <li>ix. other (to be specified by the organization)</li> </ul> <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> <li>i. disposed of directly by the organization, or otherwise directly confirmed</li> <li>ii. information provided by the waste disposal contractor</li> <li>iii. organizational defaults of the waste disposal contractor</li> </ul>	<ul style="list-style-type: none"> <li>• Major Sustainability Data: By-products and Waste Generation, Recycling rate and the purpose of use for recycled products</li> </ul>

306-3	Significant spills	<p>a.Total number and total volume of recorded significant spills.</p> <p>b.The following additional information for each spill that was reported in the organization’s financial statements:</p> <p>i.location of spill;</p> <p>ii.volume of spill;</p> <p>iii.material of spill, categorized by: oil spills (soil or water surfaces), fuel spills (soil or water surfaces), spills of wastes (soil or water surfaces), spills of chemicals (mostly soil or water surfaces), and other (to be specified by the organization).</p> <p>c.Impacts of significant spills.</p>	Not applicable within this reporting period
306-4	Transport of hazardous waste	<p>a.Total weight for each of the following:</p> <p>i.hazardous waste transported</p> <p>ii.hazardous waste imported</p> <p>iii.hazardous waste exported</p> <p>iv.hazardous waste treated</p> <p>b.Percentage of hazardous waste shipped internationally.</p> <p>c.Standards, methodologies, and assumptions used.</p>	Not applicable within this reporting period
306-5	Water bodies affected by water discharges and/or runoff	<p>a.Water bodies and related habitats that are significantly affected by water discharges and/or runoff, including information on:</p> <p>i.the size of the water body and related habitat;</p> <p>ii. whether the water body and related habitat is designated as a nationally or internationally protected area;</p> <p>iii.the biodiversity value, such as total number of protected species.</p>	Not applicable within this reporting period
<b>307:Environmental Compliance</b>			
307-1	Non-compliance with environmental laws and regulations	<p>a.Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of:</p> <p>i.total monetary value of significant fines;</p> <p>ii.total number of non-monetary sanctions;</p> <p>iii.cases brought through dispute resolution mechanisms.</p> <p>b.If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p>	Not applicable within this reporting period
<b>308:Supplier Environmental Assessment</b>			
308-1	New suppliers that were screened using environmental criteria	<p>a. Percentage of new suppliers that were screened using environmental criteria.</p>	<p>• Sustainable Procurement: Promoting Sustainability Activities Throughout the Entire Supply Chain</p>
308-2	Negative environmental impacts in the supply chain and actions taken	<p>a.Number of suppliers assessed for environmental impacts.</p> <p>b.Number of suppliers identified as having significant actual and potential negative environmental impacts.</p> <p>c.Significant actual and potential negative environmental impacts identified in the supply chain.</p> <p>d.Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of assessment, and why.</p>	

Social			
401:Employment			
401-1	New employee hires and employee turnover	<p>a.Total number and rate of new employee hires during the reporting period, by age group, gender and region.</p> <p>b.Total number and rate of employee turnover during the reporting period, by age group, gender and region.</p>	<p>· Major Sustainability Data: Number of employees, Number of resignees and reasons/turnover rate</p>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<p>a. Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum:</p> <p>i.life insurance;</p> <p>ii.health care;</p> <p>iii.disability and invalidity coverage;</p> <p>iv.parental leave;</p> <p>v.retirement provision;</p> <p>vi.stock ownership;</p> <p>vii.Other</p> <p>b.The definition used for 'significant locations of operation'.</p>	
401-3	Parental leave	<p>a.Total number of employees that were entitled to parental leave, by gender.</p> <p>b.Total number of employees that took parental leave, by gender.</p> <p>c. Total number of employees that returned to work in the reporting period after parental leave ended, by gender.</p> <p>d.Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.</p> <p>e. Return to work and retention rates of employees that took parental leave, by gender.</p>	<p>· Major Sustainability Data: Results of Employees Taking Child Care Leave, Change in the number of employees that took advantage of child or nursing care policies</p>
402:Labor/Management Relations			
402-1	Minimum notice periods regarding operational changes	<p>a. Minimum number of weeks' notice typically provided to employees and their representatives prior to the implementation of significant operational changes that could substantially affect them.</p> <p>b.For organizations with collective bargaining agreements, report whether the notice period and provisions for consultation and negotiation are specified in collective agreements.</p>	
403:Occupational Health and Safety 2018			
403-1	Occupational health and safety management system	<p>a.A statement of whether an occupational health and safety management system has been implemented, including whether:</p> <p>i. the system has been implemented because of legal requirements and, if so, a list of the requirements;</p> <p>ii. the system has been implemented based on recognized risk management and/or management system standards/guidelines and, if so, a list of the standards/guidelines.</p> <p>b.A description of the scope of workers, activities, and workplaces covered by the occupational health and safety management system, and an explanation of whether and, if so, why any workers, activities, or workplaces are not covered.</p>	

403-2	Hazard identification, risk assessment, and incident investigation	<p>a. A description of the processes used to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks, including:</p> <p>i. how the organization ensures the quality of these processes, including the competency of persons who carry them out;</p> <p>ii. how the results of these processes are used to evaluate and continually improve the occupational health and safety management system.</p> <p>b. A description of the processes for workers to report work-related hazards and hazardous situations, and an explanation of how workers are protected against reprisals.</p> <p>c. A description of the policies and processes for workers to remove themselves from work situations that they believe could cause injury or ill health, and an explanation of how workers are protected against reprisals.</p> <p>d. A description of the processes used to investigate work-related incidents, including the processes to identify hazards and assess risks relating to the incidents, to determine corrective actions using the hierarchy of controls, and to determine improvements needed in the occupational health and safety management system.</p>	<ul style="list-style-type: none"> <li>Occupational Health and Safety : Achieving Zero Workplace Accidents in Manufacturing</li> </ul>
403-3	Occupational health services	<p>a. A description of the occupational health services' functions that contribute to the identification and elimination of hazards and minimization of risks, and an explanation of how the organization ensures the quality of these services and facilitates workers' access to them.</p>	<ul style="list-style-type: none"> <li>Suntory Group's Health Management : Various Measures</li> </ul>
403-4	Worker participation, consultation, and communication on occupational health and safety	<p>a. A description of the processes for worker participation and consultation in the development, implementation, and evaluation of the occupational health and safety management system, and for providing access to and communicating relevant information on occupational health and safety to workers.</p> <p>b. Where formal joint management-worker health and safety committees exist, a description of their responsibilities, meeting frequency, decision-making authority, and whether and, if so, why any workers are not represented by these committees.</p>	<ul style="list-style-type: none"> <li>Occupational Health and Safety : Commitment to Workplace Safety</li> </ul>
403-5	Worker training on occupational health and safety	<p>a. A description of any occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.</p>	<ul style="list-style-type: none"> <li>Occupational Health and Safety : Occupational Health and Safety Education</li> </ul>
403-6	Promotion of worker health	<p>a. An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided.</p> <p>b. A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks, including the specific health risks addressed, and how the organization facilitates workers' access to these services and programs.</p>	<ul style="list-style-type: none"> <li>Suntory Group's Health Management : Various Measures</li> </ul>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<p>a. A description of the organization's approach to preventing or mitigating significant negative occupational health and safety impacts that are directly linked to its operations, products or services by its business relationships, and the related hazards and risks.</p>	<ul style="list-style-type: none"> <li>Promoting Distribution Considering Safety</li> </ul>

403-8	Workers covered by an occupational health and safety management system	<p>a. If the organization has implemented an occupational health and safety management system based on legal requirements and/or recognized standards/guidelines:</p> <ul style="list-style-type: none"> <li>i. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system;</li> <li>ii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been internally audited;</li> <li>iii. the number and percentage of all employees and workers who are not employees but whose work and/or workplace is controlled by the organization, who are covered by such a system that has been audited or certified by an external party.</li> </ul> <p>b. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>c. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	
403-9	Work-related injuries	<p>a. For all employees:</p> <ul style="list-style-type: none"> <li>i. The number and rate of fatalities as a result of work-related injury;</li> <li>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);</li> <li>iii. The number and rate of recordable work-related injuries;</li> <li>iv. The main types of work-related injury;</li> <li>v. The number of hours worked.</li> </ul> <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <ul style="list-style-type: none"> <li>i. The number and rate of fatalities as a result of work-related injury;</li> <li>ii. The number and rate of high-consequence work-related injuries (excluding fatalities);</li> <li>iii. The number and rate of recordable work-related injuries;</li> <li>iv. The main types of work-related injury;</li> <li>v. The number of hours worked.</li> </ul> <p>c. The work-related hazards that pose a risk of high-consequence injury, including:</p> <ul style="list-style-type: none"> <li>i. how these hazards have been determined;</li> <li>ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period;</li> <li>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</li> </ul> <p>d. Any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls.</p> <p>e. Whether the rates have been calculated based on 200,000 or 1,000,000 hours worked.</p> <p>f. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>g. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> <li>• Major Sustainability Date: number of workplace accidents</li> </ul>

403-10	Work-related ill health	<p>a. For all employees:</p> <p>i. The number of fatalities as a result of work-related ill health;</p> <p>ii. The number of cases of recordable work-related ill health;</p> <p>iii. The main types of work-related ill health.</p> <p>b. For all workers who are not employees but whose work and/or workplace is controlled by the organization:</p> <p>i. The number of fatalities as a result of work-related ill health;</p> <p>ii. The number of cases of recordable work-related ill health;</p> <p>iii. The main types of work-related ill health.</p> <p>c. The work-related hazards that pose a risk of ill health, including:</p> <p>i. how these hazards have been determined;</p> <p>ii. which of these hazards have caused or contributed to cases of ill health during the reporting period;</p> <p>iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls.</p> <p>d. Whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded.</p> <p>e. Any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used.</p>	
404: Training and Education			
404-1	Average hours of training per year per employee	<p>a. Average hours of training that the organization's employees have undertaken during the reporting period, by:</p> <p>i. gender.</p> <p>ii. employee category.</p>	
404-2	Programs for upgrading employee skills and transition assistance programs	<p>a. Type and scope of programs implemented and assistance provided to upgrade employee skills.</p> <p>b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.</p>	<ul style="list-style-type: none"> <li>• Diversity, Equity and Inclusion: Extension of Retirement to Age 65</li> <li>• Major Sustainability Data: Main self-development programs and the number of participants in FY2021</li> </ul>
404-3	Percentage of employees receiving regular performance and career development reviews	<p>a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.</p>	<ul style="list-style-type: none"> <li>• Development of Human Resources: Fair and Reasonable Evaluations</li> </ul>



405:Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	<p>a. Percentage of individuals within the organization's governance bodies in each of the following diversity categories:</p> <p>i. gender.</p> <p>ii. age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. other indicators of diversity where relevant (such as minority or vulnerable groups).</p> <p>b. Percentage of employees per employee category in each of the following diversity categories:</p> <p>i. gender.</p> <p>ii. age group: under 30 years old, 30-50 years old, over 50 years old;</p> <p>iii. other indicators of diversity where relevant (such as minority or vulnerable groups).</p>	<ul style="list-style-type: none"> <li>Major Sustainability Data: Number of male and female employees by Management or Non-management position</li> </ul>
405-2	Ratio of basic salary and remuneration of women to men	<p>a. Ratio of the basic salary and remuneration of women to men for each employee category, by significant locations of operation.</p> <p>b. The definition used for 'significant locations of operation'.</p>	
406:Non discrimination			
406-1	Incidents of discrimination and corrective actions taken	<p>a. Total number of incidents of discrimination during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. incident reviewed by the organization;</p> <p>ii. remediation plans being implemented;</p> <p>iii. remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. incident no longer subject to action.</p>	
407:Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights:Assessment, Corrective Action</li> </ul>
408:Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <p>i. child labor;</p> <p>ii. young workers exposed to hazardous work.</p> <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights:Assessment, Corrective Action</li> </ul>

409: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>a. Operations and suppliers considered to have significant risk for incidents of forced or compulsory labor either in terms of:</p> <p>i. type of operation (such as manufacturing plant) and supplier;</p> <p>ii. countries or geographic areas with operations and suppliers considered at risk.</p> <p>b. Measures taken by the organization in the reporting period intended to contribute to the elimination of all forms of forced or compulsory labor.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights: Assessment, Corrective Action</li> </ul>
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures	<p>a. Percentage of security personnel who have received formal training in the organization's human rights policies or specific procedures and their application to security.</p> <p>b. Whether training requirements also apply to third-party organizations providing security personnel.</p>	
411: Rights of Indigenous Peoples			
411-1	Incidents of violations involving rights of indigenous peoples	<p>a. Total number of identified incidents of violations involving the rights of indigenous peoples during the reporting period.</p> <p>b. Status of the incidents and actions taken with reference to the following:</p> <p>i. incident reviewed by the organization;</p> <p>ii. remediation plans being implemented;</p> <p>iii. remediation plans that have been implemented, with results reviewed through routine internal management review processes;</p> <p>iv. incident no longer subject to action.</p>	<ul style="list-style-type: none"> <li>Not applicable within this reporting period</li> </ul>
412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights : Assessing Human Rights Risks</li> </ul>
412-2	Employee training on human rights policies or procedures	<p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<ul style="list-style-type: none"> <li>Respect for Human Rights : Raising Internal and External Awareness</li> </ul>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. The definition used for 'significant investment agreements'.</p>	

413:Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	<p>a. Percentage of operations with implemented local community engagement, impact assessments, and/or development programs, including the use of:</p> <p>i. social impact assessments, including gender impact assessments, based on participatory processes;</p> <p>ii. environmental impact assessments and ongoing monitoring;</p> <p>iii. public disclosure of results of environmental and social impact assessments;</p> <p>iv. local community development programs based on local communities' needs;</p> <p>v. stakeholder engagement plans based on stakeholder mapping;</p> <p>vi. broad based local community consultation committees and processes that include vulnerable groups;</p> <p>vii. works councils, occupational health and safety committees and other worker representation bodies to deal with impacts;</p> <p>viii. formal local community grievance processes.</p>	<ul style="list-style-type: none"> <li>• To Create Harmony with Society: Cultural and Social Contribution</li> <li>• Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity)</li> <li>• Bird Conservation Activities</li> <li>• Suntory <i>Mizuiku</i>-Education Program for Nature and Water</li> <li>• Sports Activities</li> <li>• Social Welfare</li> <li>• Developing the Next Generation</li> </ul>
413-2	Operations with significant actual and potential negative impacts on local communities	<p>a. Operations with significant actual and potential negative impacts on local communities, including:</p> <p>i. the location of the operations;</p> <p>ii. the significant actual and potential negative impacts of operations.</p>	
414:Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	<p>a. Percentage of new suppliers that were screened using social criteria.</p>	<ul style="list-style-type: none"> <li>• Sustainable Procurement: Promoting Sustainability Activities Throughout the Supply Chain</li> </ul>
414-2	Negative social impacts in the supply chain and actions taken	<p>a. Number of suppliers assessed for social impacts.</p> <p>b. Number of suppliers identified as having significant actual and potential negative social impacts.</p> <p>c. Significant actual and potential negative social impacts identified in the supply chain.</p> <p>d. Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of assessment, and why.</p>	<ul style="list-style-type: none"> <li>• Sustainable Procurement: Promoting Sustainability Activities Throughout the Entire Supply Chain</li> </ul>
415:Public Policy			
415-1	Political contributions	<p>a. Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.</p> <p>b. If applicable, how the monetary value of in-kind contributions was estimated.</p>	
416:Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	<p>a. Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.</p>	<ul style="list-style-type: none"> <li>• Quality Assurance from a Customer Perspective in All Processes</li> </ul>

416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>a.Total number of incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services within the reporting period, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii.incidents of non-compliance with regulations resulting in a warning;</p> <p>iii.incidents of non-compliance with voluntary codes.</p> <p>b.If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure: Voluntary Recalls</li> </ul>
417:Marketing and Labeling			
417-1	Requirements for product and service information and labeling	<p>a.Whether each of the following types of information is required by the organization's procedures for product and service information and labeling:</p> <p>i.the sourcing of components of the product or service;</p> <p>ii.content, particularly with regard to substances that might produce an environmental or social impact;</p> <p>iii.safe use of the product or service;</p> <p>iv.disposal of the product and environmental or social impacts;</p> <p>v.other (explain).</p> <p>b.Percentage of significant product or service categories covered by and assessed for compliance with such procedures.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure</li> </ul>
417-2	Incidents of non-compliance concerning product and service information and labeling	<p>a.Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labeling, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii.incidents of non-compliance with regulations resulting in a warning;</p> <p>iii.incidents of non-compliance with voluntary codes.</p> <p>b.If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	<ul style="list-style-type: none"> <li>• Appropriate Information Disclosure: Voluntary Recalls</li> </ul>
417-3	Incidents of non-compliance concerning marketing communications	<p>a.Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by:</p> <p>i. incidents of non-compliance with regulations resulting in a fine or penalty;</p> <p>ii.incidents of non-compliance with regulations resulting in a warning;</p> <p>iii.incidents of non-compliance with voluntary codes.</p> <p>b.If the organization has not identified any non-compliance with regulations and/or voluntary codes, a brief statement of this fact is sufficient.</p>	
418:Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a.Total number of substantiated complaints received concerning breaches of customer privacy, categorized by:</p> <p>i. complaints received from outside parties and substantiated by the organization;</p> <p>ii.complaints from regulatory bodies.</p> <p>b.Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organization has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	<p>Not applicable within this reporting period</p>

419:Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	<p>a. Significant fines and non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area in terms of:</p> <p>i. total monetary value of significant fines;</p> <p>ii. total number of non-monetary sanctions;</p> <p>iii. cases brought through dispute resolution mechanisms.</p> <p>b. If the organization has not identified any non-compliance with environmental laws and/or regulations, a brief statement of this fact is sufficient.</p> <p>c. The context against which significant fines and non-monetary sanctions were incurred.</p>	Not applicable within this reporting period

### Aspects with High Relevance to the Four Initiatives

- To Create Harmony with Customers and Partners: Products and Services
- To Create Harmony with Nature: Environment
- To Create Harmony with Society: Cultural and Social Contribution
- To Create Harmony with Employees: Diversity Management

**Suntory Group actively engages in initiatives to address following aspects which are closely related to the above four initiatives.**

[Customer Health and Safety] [Product and Service Labeling] [Energy] [Water] [Biodiversity] [Local Communities] [Training and Education] [Diversity and Equal Opportunity] [Supplier Environmental Assessment] [Supplier Assessment for Labor Practices] [Supplier Human Rights Assessment] [Supplier Assessment for Impacts on Society] [Marketing Communications]

# Content Index of the World Economic Forum's Stakeholder Capitalism Metrics

Below is a content index we have prepared in line with the core metrics, as described under common metrics in “Measuring Stakeholder Capitalism – Towards Common Metrics and Consistent Reporting of Sustainable Value Creation,” a white paper compiled mainly by the Big Four global accounting firms based on recommendations of the World Economic Forum's International Business Council.

We plan to further enhance our disclosures in the future.

## Principles of Governance

Theme	Core metrics and disclosures	Page number (or link)
<b>Principles of Governance</b>		
Setting purpose	The company's stated purpose, as the expression of the means by which a business proposes solutions to economic, environmental and social issues. Corporate purpose should create value for all stakeholders, including shareholders.	<ul style="list-style-type: none"> <li>• Suntory's Sustainable Management</li> <li>• Suntory Group Sustainability Vision</li> </ul>
<b>Quality of governing body</b>		
Governance body composition	Composition of the highest governance body and its committees by: competencies relating to economic, environmental and social topics; executive or non-executive; independence; tenure on the governance body; number of each individual's other significant positions and commitments, and the nature of the commitments; gender; membership of under-represented social groups; stakeholder representation.	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Consolidated Financial Statements for the Year Ended December 31, 2021 P39; Corporate Governance (Only in Japanese)</li> </ul>
<b>Stakeholder engagement</b>		
Material issues impacting stakeholders	A list of the topics that are material to key stakeholders and the company, how the topics were identified and how the stakeholders were engaged.	<ul style="list-style-type: none"> <li>• Dialogue with Society</li> <li>• Relations with Stakeholders</li> <li>• Respect for Human Rights</li> </ul>
<b>Ethical behaviour</b>		
Anti-corruption	<ol style="list-style-type: none"> <li>1. Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.</li> <li>2. a) Total number and nature of incidents of corruption confirmed during the current year, but related to previous years; and b) Total number and nature of incidents of corruption confirmed during the current year, related to this year.</li> <li>3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption.</li> </ol>	<ul style="list-style-type: none"> <li>• The Suntory Group's Code of Business Ethics: 2. Conducting business with integrity and fairness</li> <li>• Risk Management: Anti-bribery</li> </ul>
Protected ethics advice and reporting mechanisms	<p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> <li>1. Seeking advice about ethical and lawful behaviour and organizational integrity; and</li> <li>2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity.</li> </ol>	<ul style="list-style-type: none"> <li>• Compliance</li> <li>• Risk Management</li> </ul>

Risk and opportunity oversight		
Integrating risk and opportunity into business process	<p>Company risk factor and opportunity disclosures that clearly identify the principal material risks and opportunities facing the company specifically (as opposed to generic sector risks), the company appetite in respect of these risks, how these risks and opportunities have moved over time and the response to those changes.</p> <p>These opportunities and risks should integrate material economic, environmental and social issues, including climate change and data stewardship.</p>	<ul style="list-style-type: none"> <li>• Consolidated Financial Statements for the Year Ended December 31, 2021 P15: Business Risks (Only in Japanese)</li> <li>• Suntory Group Sustainability Vision</li> <li>• Risk Management</li> <li>• Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations</li> </ul>

## Planet

Theme	Core metrics and disclosures	Page number (or link)
<b>Climate change</b>		
Greenhouse gas (GHG) emissions	<p>For all relevant greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, F-gases etc.),</p> <ol style="list-style-type: none"> <li>1.report in metric tonnes of carbon dioxide equivalent (tCO<sub>2e</sub>) GHG Protocol Scope 1 and Scope 2 emissions.</li> <li>2.estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate.</li> </ol>	<ul style="list-style-type: none"> <li>• Scope 1/Scope 2/Scope 3 emissions</li> </ul>
TCFD implementation	<p>Fully implement the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). If necessary, disclose a timeline of at most three years for full implementation. Disclose whether you have set, or have committed to set, GHG emissions targets that are in line with the goals of the Paris Agreement — to limit global warming to well below 2°C above preindustrial levels and pursue efforts to limit warming to 1.5°C — and to achieve net-zero emissions before 2050.</p>	<ul style="list-style-type: none"> <li>• Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations</li> <li>• Environmental Vision toward 2050 and Environmental Targets toward 2030</li> </ul>
<b>Nature loss</b>		
Land use and ecological sensitivity	<p>Report the number and area (in hectares) of sites owned, leased or managed in or adjacent to protected areas and/or key biodiversity areas (KBA).</p>	<ul style="list-style-type: none"> <li>• Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity) : Participate in "30by30 Alliance for Biodiversity" in Japan</li> </ul>
<b>Freshwater availability</b>		
Water consumption and withdrawal in water-stressed areas	<p>Report for operations where material: megalitres of water withdrawn, megalitres of water consumed and the percentage of each in regions with high or extremely high baseline water stress, according to WRI Aqueduct water risk atlas tool. Estimate and report the same information for the full value chain (upstream and downstream) where appropriate.</p>	<ul style="list-style-type: none"> <li>• Disclosures Based on TCFD Recommendations : Water Supply Risk Assessment Process</li> <li>• Water use</li> </ul>

## People

Theme	Core metrics and disclosures	Page number (or link)
<b>Dignity and equality</b>		
Diversity and inclusion (%)	Percentage of employees per employee category, by age group, gender and other indicators of diversity (e.g. ethnicity).	· Employment Status at Suntory Group
Pay equality (%)	Ratio of the basic salary and remuneration for each employee category by significant locations of operation for priority areas of equality: women to men, minor to major ethnic groups, and other relevant equality areas.	-
Wage level (%)	1.Ratios of standard entry level wage by gender compared to local minimum wage. 2.Ratio of the annual total compensation of the CEO to the median of the annual total compensation of all its employees, except the CEO.	-
Risk for incidents of child, forced or compulsory labour	An explanation of the operations and suppliers considered to have significant risk for incidents of child labour, forced or compulsory labour. Such risks could emerge in relation to: a) type of operation (such as manufacturing plant) and type of supplier; and b) countries or geographic areas with operations and suppliers considered at risk.	· Sustainable Procurement · Respect for Human Rights
<b>Health and well-being</b>		
Health and safety (%)	1.The number and rate of fatalities as a result of work-related injury; high-consequence work-related injuries (excluding fatalities); recordable work-related injuries; main types of work-related injury; and the number of hours worked. 2.An explanation of how the organization facilitates workers' access to non-occupational medical and healthcare services, and the scope of access provided for employees and workers.	· Occupational Health and Safety: Number of workplace accidents · Suntory Group ' Health Management : Various Measures
<b>Skills for the future</b>		
Training provided(,\$)	1.Average hours of training per person that the organization's employees have undertaken during the reporting period, by gender and employee category (total number of hours of training provided to employees divided by the number of employees). 2.Average training and development expenditure per full time employee (total cost of training provided to employees divided by the number of employees).	-



## Prosperity

Theme	Core metrics and disclosures	Page number (or link)
<b>Employment and wealth generation</b>		
Absolute number and rate of employment	<ol style="list-style-type: none"> <li>Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region.</li> <li>Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region.</li> </ol>	· Employment Status at Suntory Group
Economic contribution	<ol style="list-style-type: none"> <li>Direct economic value generated and distributed (EVG&amp;D), on an accruals basis, covering the basic components for the organization's global operations, ideally split out by: <ul style="list-style-type: none"> <li>Revenues</li> <li>Operating costs</li> <li>Employee wages and benefits</li> <li>Payments to providers of capital</li> <li>Payments to government</li> <li>Community investment</li> </ul> </li> <li>Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period.</li> </ol>	· Key Financial Data
Financial investment contribution	<ol style="list-style-type: none"> <li>Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy.</li> <li>Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders.</li> </ol>	· Key Financial Data
<b>Innovation of better products and services</b>		
Total R&D expenses (\$)	Total costs related to research and development.	· Key Financial Data
<b>Community and social vitality</b>		
Total tax paid	The total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company, by category of taxes.	· Key Financial Data