

2021

Suntory Group CSR Site
PDF



SUNTORY

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Top Commitment

We continue to take on unique challenges to innovate and build a richer society.

Takeshi Niinami

Representative Director, President & Chief Executive Officer
Suntory Holdings Limited



We extend our deepest sympathies to all those who have been infected with COVID-19 and their families, as well as everyone whose life and business have been severely affected by the pandemic. Furthermore, we would like to express our profound respect and gratitude for those who have worked to prevent the spread of infection and the medical personnel who have stood on the front lines.

Since the founding of the company, we have practiced a philosophy of Giving Back to Society. In this crisis, our whole group has worked together to help those in need, such as by supplying products and making donations. For instance, we provided rubbing alcohol and personal protective equipment free of charge to medical personnel around the globe. We intend to keep doing whatever we can so that together we may overcome the hardships of COVID-19.

The Suntory Group strives for a society in which people's lives shine. We believe we have a mission "to create harmony with people and nature." In our efforts toward a sustainable society, we have enriched people's lifestyles by providing them with top-quality products and services while always keeping in mind diversity and coexistence with our beautiful global environment. Even amid the chaos of the coronavirus, we must not put off our efforts to achieve such a sustainable society.

In 2019, the Suntory Group set forth a Sustainability Vision to further its goal of Growing for Good. Accordingly, the group is working as one to advance global environmental protection efforts such as conserving water resources, reducing greenhouse gas emissions and promoting cyclic use of resources, as well as to respect human rights in the supply chain and to help people live spiritually rich and healthy lives. We particularly believe we have a responsibility to be a global leader with ahead-of-the-curve efforts in water sustainability, as a company with a public commitment of "*Mizu To Ikiru*" (living with water), as well as in the urgent issues of greenhouse gas reduction and plastic.

We consider our water initiatives to be the most important issue for Suntory as a company that delivers nature's gifts in products. In Japan, we have undertaken a forest development project that should provide for twice the amount of water that we use, and we have been enlightening the next generation with the Suntory "*Mizuiku*" Natural Water Education Program. Now we are applying what we have learned from our water initiatives in Japan to other regions such as the US and Southeast Asia.

Our vision is to reduce greenhouse gas emissions across the whole value chain to virtually zero by 2050. To this end, this year we raised our targets for 2030 to 50% reduction of greenhouse gas emissions at our sites and 30% reduction across the whole value chain. Designed to limit global temperature rise to 1.5 °C, these are challenging targets. However, in the spirit of Yatte Minahare, we will take bold and innovative steps in early adoption of renewable energy and accelerated capital investment through introduction of internal carbon prices.

As for plastic, in 2019, we adopted a Plastic Policy. By 2030, we aim to make all the materials in the plastic bottles we use in all regions sustainable and to cut our use of virgin fossil materials to zero. Also, last year, we established a new company, R Plus Japan, Ltd., to advance plastic recycling. We hope to build an ecosystem for recycling not just PET but also a broad range of plastics that are hard to recycle, and thus contribute greatly to the realization of a circular economy.

"Good products" are not just about being safe, reliable and high-quality now. Increasingly, there is also the expectation of work to address environmental and social issues, such as greenhouse gas emissions, preservation of natural resources, and protection of human rights across the supply chain. We at the Suntory Group will listen to the voices of consumers and other stakeholders, with sustainability at the core of our management, and deliver good products that contribute to a sustainable society. And we will continue to take on unique challenges to innovate and build a brighter society as a multifaceted beverage and liquor company growing globally.

July 2021

Takeshi Niinami

Representative Director, President & Chief Executive Officer

Suntory Holdings Limited

The Future of Suntory as Seen in its Sustainability Vision-Based Initiatives

Based on its vision of "Growing for Good," the Suntory Group formulated the Suntory Group Sustainability Vision in 2019 to support its continuous efforts toward the realization of a sustainable society. We shared our recent initiatives on "Water," "CO₂," and "Containers and packaging"—three of the seven key sustainability themes laid out in that vision—during a stakeholder dialogue with experts in order to gain their insights and feedback.

● Date: Thursday, January 14, 2021

● Location: Experts: Remote-based participation

Participants from Suntory: Suntory World Headquarters (Odaiba Office)

■ Experts



Naoki Adachi
CEO,
Response Ability, Inc.



Yukiko Hirabayashi
Professor,
Department of Civil Engineering,
Shibaura Institute of Technology



Jiro Furuki
Research Director,
Environmental Innovation Group,
Environment and Energy Division,
Mitsubishi Research Institute, Inc.

■ Suntory



Tomomi Fukumoto
Executive Officer,
Suntory Holdings Limited
Senior General Manager,
Corporate Sustainability Division



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



Hiroshi Naito
Suntory Holdings Limited
Senior General Manager,
Corporate Sustainability Department,
Corporate Sustainability Division



Masao Itoko
Senior Executive Officer,
Suntory Beverage & Food Limited
Senior General Manager,
MONOZUKURI Division



Tsunehiko Yokoi
Executive Officer,
Suntory MONOZUKURI Expert Limited
Senior General Manager,
Packaging Material Development Department,
Supply Chain Management Division

■ Moderator

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

Emphasizing an Image of Having Leadership in Both Water and Environmental Sustainability

Moderator | Today, we would like to hear the opinions from the experts regarding three of the key themes laid out in the Suntory Group's Sustainability Vision: water, CO₂ emissions reduction, climate change, and containers and packaging (with a particular focus on plastics). To get started, please give us your opinions about the Suntory Group's water sustainability initiatives.

Adachi | Suntory has been consistently and enthusiastically engaging in water sustainability, and those efforts have a direct link to their core business. This, I think, is very impressive in terms of the message that it is sending out to society. With regard to water resource conservation in Japan, I am very impressed by Suntory's cultivation of twice the amount of water as used in their plants in the forest areas which serve as their water resources; this effort could well be called "water positive." In addition, I think it is also very commendable that Suntory is continuing its Suntory *Mizuiku*-Education Program for Nature and Water, including its Outdoor School of Forest and Water and Teaching about Water at Schools activities even during the COVID-19 pandemic. On the other hand, I would like to know more about initiatives that the Suntory Group is taking other than water resource conservation in Japan. I am interested in what types of initiatives the company is taking regarding water used in farming for raw ingredient production.

Hirabayashi | We professionals have been working hard on water education, so I think it is wonderful that a company like Suntory is taking the initiative to promote this education and really appreciate the company's efforts. I also appreciate the fact that the activities are not just based on impressions and concepts but based on scientific research and evaluation in the field as well, and that they not only obtain scientific knowledge from it but also communicate their findings well. Through continuous research, we may, for example, already be able to see the effects of environmental and climate change as well as population growth, not only in Japan but also overseas. I think it would be even better if, in addition to their current communications, Suntory could show how it will respond to such changes and promote activities that lead to a long-term vision, such as continuous monitoring.

With regard to water stress (a condition in which the amount of water available per person per year is less than 1,700 tons, causing inconvenience in daily life), Suntory selected from their many plants those which were evaluated as high risk to serve as the targets of their current evaluations. However, there is a possibility that locations that are not currently selected as target sites may be under a certain level of water stress in the future, such as in 2030 or 2050. Through observation, I hope that Suntory will be able to make timely determinations of locations that are expected to be at a higher risk for increased water stress level in the future.

Furuki | The topic that first came to my mind regarding water initiatives is water use reduction. In addition, I think it is wonderful that Suntory is taking initiative to cultivate water resources and engages in initiatives that are rooted in local communities. I think it would be even better if there were quantifiable indicators for these initiatives as well. Since there is currently a trend in localized SDGs and regional circular and ecological spheres, I think Suntory could take a leadership role in these activities in each region.

Kitamura | We are making various efforts to become a leader in the field of water sustainability. However, the title of frontrunner can be defined in various ways. Although I don't think there are any absolute requirements, what do you expect to see from Suntory as a company regarding water sustainability initiatives, or what initiatives do you think are essential?

Hirabayashi | On a personal note, I have been buying Suntory Minami-Alps Tennensui in bulk every month since the Great East Japan Earthquake in 2011. As a professional involved in water cycle research, I should make scientific judgments regardless of the brand. As a mother of a child, however, I want to make sure that the water is safe and reliable. Even if there is a mineral water product that is a few yen cheaper, I will not choose it. I believe that this feeling comes from Suntory's corporate image. However, I feel that consumers are not yet aware that while Suntory is a leader in water sustainability, it is also a leader in environmental sustainability. In fact, the company is making many efforts such as contributing to decarbonization and the creation of a recycling-oriented society, so I think it needs to further convey the image that it is both a leader in water sustainability and environmental sustainability. This will lead consumers to believe that they will be doing something good for the environment if they buy Suntory products.

Adachi | I also think that since Suntory is cultivating water resources on such a large scale, the company should be more proactive in promoting that it is working toward water neutrality, or that it is already water positive. These things will not be conveyed unless the company actively tries to communicate them. I would also like to see these advanced initiatives promoted not only in Japan but also overseas as Suntory's overseas business is large, and has employees of various nationalities around the world. With regard to water sustainability, I feel that Suntory is doing everything it can to expand into education, but I think there is something missing in terms of initiatives. What kinds of solutions will Suntory provide for water shortages, which will undoubtedly become more serious in the future? There are hundreds of millions of people around the world who are in need of water, and unfortunately this number will increase as time goes on. What should the company do for people who are not necessarily Suntory customers? Global companies in any field are expected to help as many people as they can, not only their customers. Although the SDGs are perfect examples of how companies can contribute to the world, I believe that the real value of a company lies in how far it can go to help stakeholders who are not its customers.



Behavioral Changes Used as Suntory Branding

Moderator | Now I would like to move on to Suntory's CO₂ emissions reduction and climate change initiatives. The Suntory Group has set the following targets toward 2030: A 25% reduction in direct emissions from its factories and business sites, and a 20% reduction in emissions across all value chains. In addition, the Environmental Vision toward 2050 aims to achieve net zero greenhouse gas emissions throughout the entire value chain.

- Adachi** | It will be very difficult to achieve zero greenhouse gas emissions in the entire value chain by 2050. However, I also wonder if striving for that is really enough. Last year, Japan declared that the entire country would be carbon neutral by 2050.
- I am not saying that Suntory's goal is an easy one, but there are many industries where it is difficult to achieve this goal, such as the aviation, steel, concrete, and cement industries. When we think about achieving this goal for the entire country, is it sufficient for Suntory to be carbon neutral in 2050? Looking at the rest of the world, there are already alcoholic beverages and food products that claim to be carbon neutral, so I think Suntory needs to aim to achieve this goal a bit earlier.
- Hirabayashi** | Suntory has been selected for the CDP Water Security A List in the corporate survey on water resource management (conducted by the international non-governmental organization CDP to disclose information on corporate water security) for five consecutive years. This survey also includes an assessment of climate change risks, so I believe that an A rating means that the company is appropriately addressing climate change risks. However, the content of your presentation did not reveal much about climate change or water cycle risks. As global warming progresses, risks such as the risk of flooding and windstorms impacting the value chain are on the increase in Japan while some overseas plants are in regions experiencing more droughts.
- Naito** | Among our climate change measures, we are implementing mitigation measures (reducing emissions or increasing capture) in accordance with global guidelines for calculations and reporting with an aim to reduce Scope 1 (direct emissions), Scope 2 (indirect emissions), and Scope 3 (other indirect emissions). Since mitigation is our mission, we will engage in the continuous cycle of setting goals, determining action steps, and working out how best to implement those actions.
- As for adaptation measures (mitigating negative impacts or increasing positive impacts), we are working to align with initiatives such as TCFD (Task Force on Climate-related Financial Disclosure) risk and opportunity assessment as tools, in order to improve the current tools and methodologies we already have. For example, we are taking basic measures such as providing products to society to prevent heat stroke, and we are also taking preventive measures such as installing raised charging facilities at our plants located along the sea to prevent flood damage.
- Hirabayashi** | The Intergovernmental Panel on Climate Change (IPCC) often discusses how to channel funds - companies need to pursue profits first, but climate change initiatives are partly taken out of their profits. This is where turning Suntory's environmentally conscious nature and changes in behavioral as a company into branding comes into play. There is a growing trend to promote this type of branding, which will ultimately lead to profits, as an essential part of corporate growth.
- Fukumoto** | As an adaptive measure, we have been working on risk management for natural disasters, including work from a BCP (Business Continuity Plan) perspective. However, what we need to take further action on in the future is the impact on ingredients in the mid- to long-term, and establishing a stable long-term procurement throughout the entire value chain. Although we focused on some raw ingredients in the past, now we are again discussing with each business unit about which ingredients are essential for their businesses, which raw materials are at high risk of being affected by climate change or water shortages, and which ones are irreplaceable. I think we need to start driving this forward, but if you have any advice, I would love to hear it.
- Adachi** | I heard from a food manufacturer in Japan that certain fruits, for example, are no longer available from their traditional sources. Climate change is already causing prices to rise and quality to deteriorate. I am worried that this is not something for the future but rather an immediate problem that needs to be addressed as soon as possible.
- Itoko** | For example, in the case of coffee, there is an issue called the "2050 Problem" where coffee can only be grown at higher altitudes than before due to the effects of global warming or there is a danger that it will become extinct. We currently have contracts with farms in Brazil and other countries to grow coffee and would like to tackle this issue by considering the risks of procurement and dealing with the water required for cultivation. A project on mid- to long-term procurement of coffee will be launched in January 2021 by the MONOZUKURI Division of Suntory Holdings for further study.

Adachi | I would like you to go ahead with this. This is the most important point for you to continue your business. It was explained that Suntory cannot do business without water, but it is not only water that is important. Since the company cannot remain in business without barley, coffee, or many other raw ingredients, I really hope that you will put more effort into raw ingredient sustainability.

Moderator | I would like to hear Mr. Adachi's opinion on what specific measures should be taken to reduce CO₂ emissions.

Adachi | I think Suntory is already doing a good job of saving energy. Additional alternatives include introducing renewable energy by being able to purchase it in a stable and economically reasonable manner by signing a long-term PPA (Power Purchase Agreement: Electricity Sales Contract Model). On the other hand, renewable energy is difficult to purchase in Japan and is expensive. This is an area where the government needs to work harder, but I think it would be good for like-minded companies to work together to find ways for companies to influence the government.

Kitamura | Our vision is growth, and from the standpoint of a business, there is a dilemma between growth and reducing CO₂ emissions. I feel that it is difficult for any company to realize these two goals.

Adachi | Even as a business grows, it can still reduce its CO₂ emissions. This is because if it shifts to renewable energy, it will no longer have to think about the issue. Even if the company's energy consumption goes up, it will not be a concern because renewable energy does not emit CO₂ in the first place. Another approach is called regenerative agriculture. Large farmers and grain manufacturers in the U.S. have taken notice of regenerative agriculture and are now rapidly making a shifting toward it. Instead of traditional intensive agriculture that depends heavily on fertilizers and pesticides, they are reverting to a method which is as natural as possible called natural farming in Japan. It is said that agriculture emits 25% of the world's GHG (greenhouse gas) emissions. In natural farming, the soil absorbs a lot of CO₂, and the entire value chain can considerably reduce the amount of CO₂ generated. I think this is an approach that could be very useful.



Using Materials that Do Not Limit the Functionality of PET Bottles

Moderator | Based on its Plastic Policy, the Suntory Group aims 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. Please share with us your opinions regarding plastic.

Adachi | I think highly of the goals for 2030. I think that many domestic companies end up with a sense for domestic market sentiment or domestic benchmarks and stop there. However, Suntory's goals are in line with the sensibilities of the international market.

Furuki | I believe that Suntory has set the highest goal for plastic among the major bottlers in Japan. In addition, I think it is very good that Suntory has formed an alliance across the industry (the establishment of a new company R Plus Japan Ltd. to work on the recycling of used plastics) rather than working on the issue alone. On the other hand, when we think about how to achieve this goal with a mind toward sustainability, we need to consider the balance between recycled materials and plant-derived materials as the hurdle to achieving carbon neutrality in CO₂ emissions is becoming higher.

- Yokoi** | As Mr. Furuki mentioned, at this stage we need to hold various cards in our hand to know what the future holds. For example, although we have been working on bottle-to-bottle mechanical recycling technology since 2011, there is the issue of whether we can collect enough used PET bottles to serve as raw materials. Therefore, we are trying various approaches such as chemical recycling and the use of natural bioplastic materials to expand the scope of our business. All these approaches are still being explored, but if we stop, there will be no cards left to play, so we are determined to keep pushing forward.
- Furuki** | When I talk to people in the industry, they say that PET bottles have excellent functions that cannot be replaced by any other type of bottle, and that their current form is the result of consumer choice. Therefore, as to whether Suntory should continue to do business only with PET bottles in the future, the company should not simply substitute materials but also consider a system for selling beverages without compromising the functions of PET bottles to some extent. I think it would be better to consider such a business approach.
- Yokoi** | In 2019, we commercialized a 190 gram can made for storing concentrated oolong tea and barley tea to replace the two-liter plastic bottle versions of those tea products. I think this is one of the measures for responding to the issue that you have indicated.
- Itoko** | These cans for concentrated beverages are made of steel, so they are not only easy to recycle but are also logistically friendly. Since there is currently a shortage of drivers in the logistics industry in Japan, there is a need to reduce shipment volumes while maintaining sales. In the future, although our soft drink business will not use PET bottles for everything, I believe that one of the ways to reduce logistics volumes while maintaining sales is to deliver the same delicious products to our customers' homes at a certain cost.
- Adachi** | Although not plastic, there are attempts to use paper containers for wine and whisky overseas. I believe that neither container is in its final form but are still in the trial-and-error development stage. I am sure that through this process of trial-and-error something new and really good will be created and experience gained.
- Furuki** | There is still no clear solution to this problem in the world. To be honest, I think it is difficult to say at this stage that this is the best solution because there are many places that are backcasting and setting ambitious goals for the future. Therefore, in my opinion, the final decision must be made based on the thoughts of people in charge and whether the environment is conducive to realizing the future that those people have in mind.
- Fukumoto** | The search for alternative materials is one of the measures set forth in the Plastic Policy. The difficulty is that when considering alternative materials, it is necessary to consider not only the issue of marine pollution, but also other environmental and social issues such as climate change throughout the life cycle. As you mentioned, we cannot yet identify a specific solution, but we will continue to make choices and decisions while making comprehensive judgments without eliminating all options.



Enhancing Corporate Value Through Communicating to the World

Moderator | You have provided much advice. In closing, do you have any last words of advice and encouragement to Suntory regarding an area where you would like them to work harder and strengthen their efforts?

Hirabayashi | Mr. Kitamura talked about the dilemma between CO₂ reduction and business growth. I think it is important for companies not to see this as a dilemma but rather to think that CO₂ reduction is positive for business development and to promote business in a well-balanced manner, which will lead to lower risk for the company. I hope that you will proceed with your efforts with the confidence that you are contributing to the development of a better society, a better Japan, and a better world in the future.

Furuki | I would like to address two things. The first is plastic. In addition to plastic bottles, materials such as polystyrene are also looked down upon globally. However, Japan has established a collection and recycling system for such materials and has achieved a high collection and recycling rate. I believe that Suntory can play a role in communicating such efforts. The second thing I would like to address is that it will be very important to communicate Suntory's vision for the future, such as its future alliances and long-term vision, to the world.

Adachi | If there is a sustainability field that I would like to see Suntory expand in, it is of course water. Although Suntory is already involved in various water sustainability initiatives, I think the company also needs to think about, as a last resort, what kind of solutions it can provide to people who are in need of water. Lastly, I would like to add one more hint that it would be good to focus on this area. The COP15 of the Convention on Biological Diversity will be held in 2021, and the goals for 2030 will be set. In 2021, the COP15 of the Convention on Biological Diversity will be held, and a target for 2030 will be set, and business leaders are saying that the target should be quite ambitious. Just as the Paris Agreement changed the course of climate change, this could be the start of a new forward effort, so I would like you to pay attention to this.

Fukumoto | I would like to make two remarks to summarize what I have learned from the opinions of the experts here today. First of all, I would like to reiterate that we need to consider both positive and negative impacts of sustainability as a management and business strategy. Rather than accepting climate change measures as a dilemma, I would like to share within the company the perspective of how to reduce risks and transform them into opportunities, and how to align the vector with the business to make it a driving force. Secondly, the experts' expectations for Suntory deeply resonated with me. Regarding water in particular, as the source of our business, we have been promoting it based on our philosophy. However, I took this to mean that we should respond not only to our own customers but also to society as a whole, considering all members of society as our stakeholders. It also means that we should communicate to the world what Japan is like and its unique strengths. I am aware of the problem that the world of sustainability is dominated by the West and that it tends to follow Western-led rules that do not reflect the reality in Japan and the rest of Asia. I think their expectation is that Suntory will be able to fill the gap by providing information from Japan and the rest of Asia. As for future initiatives, I would like to gain another perspective and think about what role we should play in the world. 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.

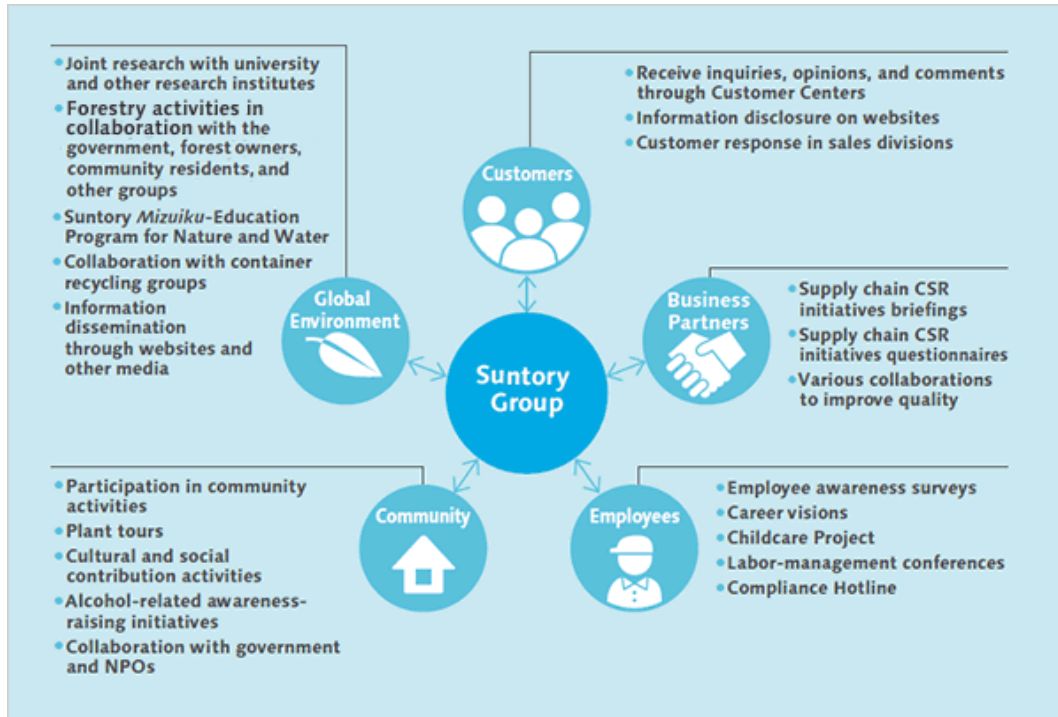
Move freely like water

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.



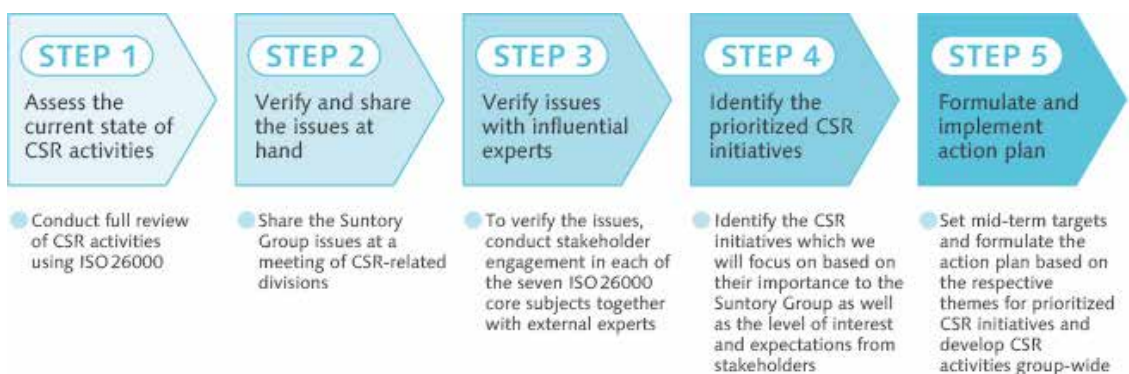
The CEO Water Mandate

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.

Sustainability Action Plan

To Create Harmony with Customers and Partners Products and Services

Target achieved : ●●● Achieved 70% or more : ●● Achieved less than 70% : ●

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

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Quality assurance based on the customer's perspective	Gain a higher level of trust from customers	<ul style="list-style-type: none"> Identified quality issues from customer feedback and improved quality. Continue food bank activities Continued food bank activities. Enhance system to procure high quality raw materials (grape, etc.) in a sustainable manner. Participated in GFSI activities to promote food safety. 	●●●	<ul style="list-style-type: none"> Increase the speed of analyzing customer feedback and identify quality issues and improve quality. Continue food bank activities. Enhance system to procure high quality raw materials (grape, etc.) in a sustainable manner. Create system to provide information related to Suntory's quality to overseas customers (global quality PR). Continue to participate in GFSI activities to promote food safety.
	Enhance group-wide quality assurance system and create synergy	<ul style="list-style-type: none"> Expanded comprehensive safety and reliability check activities on a global level and perform these activities throughout the group. Began activities to share and implement Suntory's shared value globally through stipulating values and action guidelines for manufacturing we kept since the founding in Suntory MONOZUKURI Values (SMV). Reorganized Group Quality Management System, established quality management rules and standards and shared them with the Group companies. Began communication with overseas Group companies to share legal and risk information globally. Released quality related information that wanted to be shared with overseas Group companies on the intranet. 	●●	<ul style="list-style-type: none"> Expand comprehensive safety and reliability check activities on a global level and continue to perform these activities throughout the group. Engage in direct communication with overseas Group companies to deepen their understanding about Suntory MONOZUKURI Values (SMV). Promote implementation of activities based on SMV in overseas Group companies. Implement Group Quality Management System and activities based on the quality standard in overseas Group companies. Share legal and risk information globally in a timely manner with overseas Group companies and enhance system that can respond to them from early stage.

<p>Communication with customers</p>	<p>Deepen relationships with customers by listening to customers' opinions more broadly and deeply than before</p>	<ul style="list-style-type: none"> · Implement external assessment of telephone and email support and enhancing the PDCA cycle improvement activities · Hold training on product knowledge for staff of the Customer Center to improve their skills · Strengthen active support (customer support utilizing SNS) 	<p>● ● ●</p>	<ul style="list-style-type: none"> · Continuous activity to improve quality of response of the Customer Center · Promote PDCA activities based on results of evaluation of quality of response by external review · Hold training and workshops on product knowledge for staff of the Customer Center to improve their skills · Appoint customer service leaders primarily at sales sites · Improve provision of information through Customer Center website. · Promote and develop new methods to communicate with customers based on advancement in digital technology
<p>Reflection of customer feedback in corporate activities</p>	<p>Expand system for improving products and services based on consumer feedback and penetrate throughout the entire group globally</p>	<ul style="list-style-type: none"> · Implement prior assessment activities from customer perspective in each process in merchandising · Enhance VOC activities that utilize customer feedback in management and merchandising (implement regular VOC meeting with departments involved in product development) · Conducted seminars designed for all employees 	<p>● ● ●</p>	<ul style="list-style-type: none"> · Implement VOC activities in the entire value chain · Improve products and services utilizing customer feedback · Continue to conduct seminars designed for all employees

■ Alcohol Related Problems

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
<p>Responsible marketing</p>	<p>Prevent inappropriate marketing from an ARS* perspective. *ARS: <u>Alcohol producer's Responsibility</u> to prevent alcohol related harms for pursuing the <u>Sustainability</u> of our business.</p>	<ul style="list-style-type: none"> · Information sharing and regular meetings with related departments and divisions. · Providing seminars for newly appointed brand managers. · Compiling database of past cases. 	<p>● ● ●</p>	<ul style="list-style-type: none"> · Raising level of understanding among internal stakeholders through regular meetings for sharing information and reviewing cases. · Deepening ARS knowledge of internal stakeholders on industry trends, past cases, self regulatory codes, etc.
<p>Prevention of alcohol misuse and promotion of responsible drinking</p>	<p>Promotion and raising awareness of responsible drinking for consumers and employees.</p>	<ul style="list-style-type: none"> · "Drink in Moderation" campaign utilizing advertising media, such as Newspaper, SNS and Digital Signage. · Drink Smart e-learning and ALDH-2 genotype check for 7,000 Suntory's employees. 	<p>● ● ●</p>	<ul style="list-style-type: none"> · Continuation of "Drink in Moderation" campaign through newspaper and Digital Signage. · Raising awareness of responsible drinking by monthly SNS posting. · Increasing the number of Suntory's employees taking e-learning for responsible drinking to 20,000.

■ Promoting sustainability activities in the supply chain

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Promoting sustainability activities in raw material procurement and distribution	Promoting supply chain sustainability	<ul style="list-style-type: none"> Continued supply chain sustainability initiatives questionnaires after sharing sustainable procurement policy with the partners Shared sustainable procurement policy with overseas Group companies (implementation of global procurement meeting) Strengthened measures through the Safety Committee to promote safety coordinated with distribution affiliates 	●●	<ul style="list-style-type: none"> Continuation of supply chain sustainability initiatives questionnaires Newly implement environmental questionnaires Conduct hearing with overseas Group companies on their activities Continue to conduct hearings with ingredient suppliers on human rights issues
	Improve safety in the distribution system			<ul style="list-style-type: none"> Improve and continue promoting safety in logistics

To Create Harmony with Nature Environment

Target achieved : ●●● Achieved 70% or more : ●● Achieved less than 70% : ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Preserving and Regenerating the Natural Environment	Global expansion of conservation activities to protect wild birds that are the symbol of biodiversity	Surveys of birds focusing on birds of prey at Natural Water Sanctuaries are conducted at 12 locations, and maintenance is conducted in forests of focus giving consideration to their breeding and nesting environments.	●●	We will continue surveying birds focusing on birds of prey, which are the top of the ecological pyramid, at Natural Water Sanctuaries and promote comprehensive forest maintenance giving consideration to their breeding and nesting environments. Suntory Fund for Bird Preservation will continue to promote the support for wild bird conservation activities through aiding various organizations in and outside Japan.
	Nest building and rearing of chicks by eagles and hawks at all the Natural Water Sanctuaries in Japan	<ul style="list-style-type: none"> Supported wild bird protection activities in Japan and overseas through grants from the Suntory Fund for Bird Preservation. Expanded informational communication through updates to the Save the Birds website. 		
	Expand the area of Natural Water Sanctuary so as to make it twice the size of the territory where Suntory withdraws water for its plants in Japan. (12,000ha)	In addition to implementing various activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees based on the mid- to long-term vision, Natural Water Sanctuary Project has also been used to provide forestry engineer training and help restore mountain forests damaged from typhoons. There are more and more case examples of Ikurin-zai - Timber from cultivated forests*1 inside and outside of the company, and we will continue to establish a system for strengthening and intensifying its utilization in the future. Our expansion of Natural Water Sanctuary contract areas achieved our midterm goals— targets toward 2020—a year early.	●●	Through these Natural Water Sanctuaries, we aim to create forests with a higher level of water cultivation and rich biodiversity. In addition to continuing to implement activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees, the Natural Water Sanctuary Project specifically strives to develop forests that are able to endure mountain disasters. We will further promote the use of Ikurin-zai - Timber from cultivated forests*1 in the future.

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Preserving and Regenerating the Natural Environment	Sharing our values and raising awareness on the importance of water	Expanded content of Suntory <i>Mizuiku</i> activities and enhanced awareness raising and dissemination of value of water and importance of nature that nurture water	●●	Expand content of Suntory <i>Mizuiku</i> activities, which have been implemented for 18 years, and enhance awareness raising and dissemination of value of water and importance of nature that nurtures water.
		<ul style="list-style-type: none"> Outdoor School of Forest and Water held a total of 6 times and 188 people participated Teaching about Water at Schools held at total of 121 schools and 9,451 people participated 		<ul style="list-style-type: none"> 74 times and 1,800 people expected to participate in the Outdoor School of Forest and Water 210 schools and 16,800 people expected to participate in the Teaching about Water at Schools
		<ul style="list-style-type: none"> 6,200 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Vietnam 3,900 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Indonesia 500 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Thailand 		<ul style="list-style-type: none"> Expand <i>Mizuiku</i> - Natural Water Education Program in elementary schools to Dong Nai Expand <i>Mizuiku</i> - Natural Water Education Program in elementary schools to Jakarta 2,750 people expected to participate in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Thailand
Reducing Environmental Impact	Reduce water per unit production at Suntory Group* ² plants by 15%* ³	Further reduce water usage at Group plants (reduction of water use intensity by 17.0% compared to 2015)	●●●	Reduce the use of water for washing and cooling manufacturing equipment and containers
	Reduce CO ₂ emission in the entire value chain of Suntory Group* ² by 30%* ⁴	Further reduce CO ₂ emissions throughout the entire value chain	●	Reduce the weight of containers, use of renewable resources and energy conservation at plants, proactively introduce vending machines that consume the least amount of electricity in Japan, etc.

*1 Suntory coined wood materials generated during maintenance for nurturing healthy forests as Ikurinzaï - timber

*2 Group companies that collectively account for more than 95% of the Suntory Group's sales in 2015 (including overseas companies)

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

*4 Total reduction based on the business fields in 2019

To Create Harmony with Society Cultural and Social Contribution

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Broad Cultural, Arts and Society Contributions	Contribution Activities through Support of Foundation Activities	<ul style="list-style-type: none"> · Promoted culture, arts and society contributions through support for activities conducted by the Suntory Foundation for the Arts, the Suntory Foundation and the Suntory Foundation of Life Sciences Bioorganic Research Institute. · Webcasting of Concerts at Suntory Hall and Online Exhibition of "Marugoto Ichinichi Kodomo Bijutsukan" at Suntory Museum of Art under the situation of spread of New Corona infection · Selection and presentation of the 42nd Prize for Arts and Social Sciences and grant for young researchers. · Suntory SunRiSE Life Science Researcher Support Program launched to provide research support to young researchers. 	●●●	<ul style="list-style-type: none"> · Promoted culture, arts and society contributions through support for activities conducted by the Suntory Foundation for the Arts, the Suntory Foundation and the Suntory Foundation of Life Sciences Bioorganic Research Institute. · Expand efforts to include online use under the new Corona, such as the launch of Digital Suntory Hall.
Contributions to Local Communities	Enhance activities to support recovery of Tohoku and Kumamoto coordinated with local governments, NPOs, etc.	<ul style="list-style-type: none"> · Support activities for culture, arts and sports activities through the the Suntory Tohoku Sun-Sun Project and the Suntory "Land of Water" Kumamoto Support while paying attention to the prevention of new strains of corona infection · Contribution of donations to Kumamoto affected by victims of the torrential rain in July and provide beverages to elementary and junior high school students in the areas affected by the rain · Supported local cultural activities by celebrating local culture through the 42nd Suntory Prize for Community Cultural Activities 	●●	<ul style="list-style-type: none"> · The Tohoku Sun-Sun Project will launch a new "Mirai (Future) Challenge Program" to support regional development and local revitalization in Iwate, Miyagi and Fukushima prefectures. · The "Kumamoto Future Vision Program" started as part of the Suntory "Land of Water" Kumamoto Support · Supported local cultural activities by celebrating local culture through the 42nd Suntory Prize for Community Cultural Activities
Global development of social contribution activities	Promote social contribution activities in areas of business operations	<ul style="list-style-type: none"> · Next-generation environmental education "Mizuiku" implemented mainly in Vietnam, Indonesia, and Thailand · Began implementation of social contribution activities in other areas 	●●●	<ul style="list-style-type: none"> · Expansion of the number of areas in the world where the Suntory <i>Mizuiku</i> - Education Program for Nature and Water is implemented with a focus on the Asia region · Begin implementation of social contribution activities in other areas

<p>Next generation development support</p>	<p>Strengthen next generation support programs through cultural and sports activities</p>	<ul style="list-style-type: none"> Expanded participants in next generation support programs through cultural, sports, and community contribution activities (40,000 participants) including online participants, due to Corona Implementing a scholarship system for challenged athletes 	<p>●●</p>	<ul style="list-style-type: none"> Expand and maintain participants in next generation support programs through cultural and sports activities (target of 70,000 participants)
<p>Support employee participation in social contribution activities</p>	<p>Promote the development of platforms for active employee participation in social contribution activities</p>	<ul style="list-style-type: none"> Enhance the volunteer information website "Volunteers". Promote volunteer activities in Japan and overseas under the themes of "water" in spring and "humanity" in autumn in line with our policy (Global Action for Water and Global Action for Humanity) Expand volunteer programs for employees to participate at home to prevent the spread of new coronas Annual participant 2,030 employees in Japan 	<p>●●●</p>	<ul style="list-style-type: none"> Enhance the volunteer information website "Volunteers". Promote volunteer activities in Japan and overseas under the themes of "water" in spring and "humanity" in autumn in line with our policy (Global Action for Water and Global Action for Humanity). Expand volunteer programs for employees to participate at home Annual participant target 2,000 employees in Japan

To Create Harmony with Employee Diversity Management

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
<p>Respect for Human Rights</p>	<p>Cultivate an organizational culture that puts respect for human rights first and establish groupwide human rights management mechanisms</p>	<ul style="list-style-type: none"> Conducted a human rights seminar at a production plant. (89 people participated). Introduced stratified human rights seminars for Suntorians from junior employees to newly appointed managers and executives in addition to conducting training for plant managers. 	<p>●●●</p>	<ul style="list-style-type: none"> Human rights seminars on the theme of Dowa Mondai are scheduled to be held at each site. (6 offices are planned). Continually introduce stratified human rights seminars for newly appointed executives, newly appointed managers, plant managers, and junior employees.

<p>Development of Human Resources</p>	<p>Enhance human resource development system and promote Yatte Minahare spirit of employees</p>	<ul style="list-style-type: none"> · Created a system for sharing the company philosophy. We collaborated from the planning stage to directly confront and solve management challenges unique to each Group company and conducted programs for sharing the company philosophy. This system shared examples at joint Group company meetings to provide information for wider dissemination at each Group company, which also helped explore new needs. · Vitalized "Terakoya" activities We hosted numerous events with set targets to cultivate an organizational culture of independent learning and mentoring with great results. Site access: 13,902people (503% of previous year); participants: 2,646 people (up 125% of previous year); festivals; 177events (up 145% of previous year) 	<p>● ● ●</p>	<ul style="list-style-type: none"> · -Implementation of specific activities in accordance with departmental issues to achieve a 30% ratio of female managers by 2030. · Strengthen inclusion activities through training and other means to ensure that each employee understands and believes in diversity and inclusion. · Promote the formulation of group-wide policies and activities in conjunction with overseas group companies.
<p>Promoting Diversity</p>	<p>Realize diversity management that creates greater value through accepting and utilizing diverse values and ideas</p>	<ul style="list-style-type: none"> · Communication skills training on the theme of Unconscious Bias for all managers in the sales division. · LGBTQ: Ongoing efforts to create an inclusive culture. -Senior activities: Launched measures to create an open career path that transcends corporate boundaries. · Global: Started initiatives such as the International Women's Day event in conjunction with overseas group companies. · Gender: Started initiatives in accordance with departmental issues to achieve a 30% ratio of female managers by 2030. · Handicap: Expansion of the operations and areas of the Collaborative Center. 	<p>● ● ●</p>	<ul style="list-style-type: none"> · Continually hold unconscious bias themed training to bring understand about diversity and inclusion and incite prudent action by each person. · Formulate and further activities under various themes, such as LGBT, seniors, global inclusivity, gender, and disabilities, to promote greater diversity.
<p>Promoting Work-Life Balance</p>	<p>Transform working styles and create workplaces where each person can make full use of their capabilities</p>	<ul style="list-style-type: none"> · Furthered initiatives underpinned by the work-style innovation promotion leader system, accelerated knowledge expansion , and promoted the use of RPA. 	<p>● ●</p>	<ul style="list-style-type: none"> · Further initiatives to heighten employee motivation (interest) underpinned by the work-style innovation promotion leader system.

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 2021

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

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

- Environmental data covers 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
- 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, 2020. 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

June 2021 (next edition scheduled for June 2022)



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

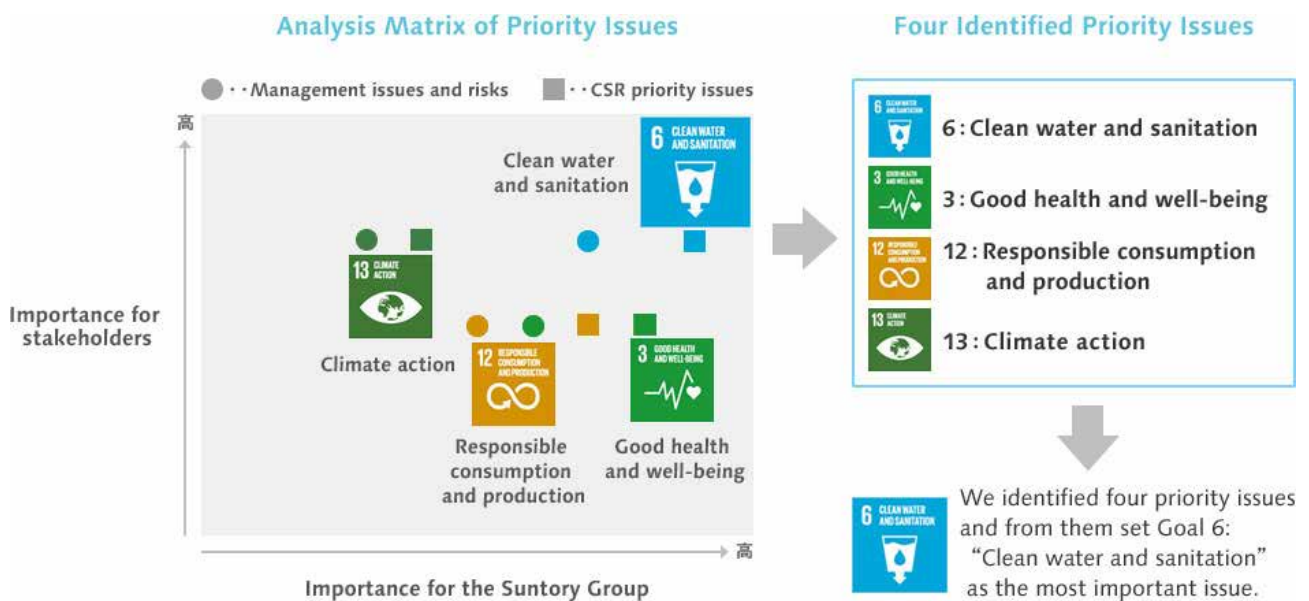
Mizu To Ikiru

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"> ● Suntory Group's Sustainable Water Philosophy ● Target towards 2030, Environmental Vision toward 2050 	
<p>CO₂</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"> ● Target towards 2030, Environmental Vision toward 2050 	

Theme	Commitment	Related SDGs
<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"> ● Sustainable Procurement 	
<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"> ● Suntory Group Plastic Policy ● 3Rs in Containers and Packaging 	
<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"> ● Reducing Harmful Drinking ● Measures for Healthy and Comfortable Lifestyles 	
<p>Human Rights</p> 	<p>Group Employees</p> <p>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.</p> <p>Value chain</p> <p>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.</p> <p>[Initiative]</p> <ul style="list-style-type: none"> ● To Create Harmony with Employees ● Sustainable Procurement ● Respect for Human Rights ● Health Management 	

Theme

Enriching
life



Commitment

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

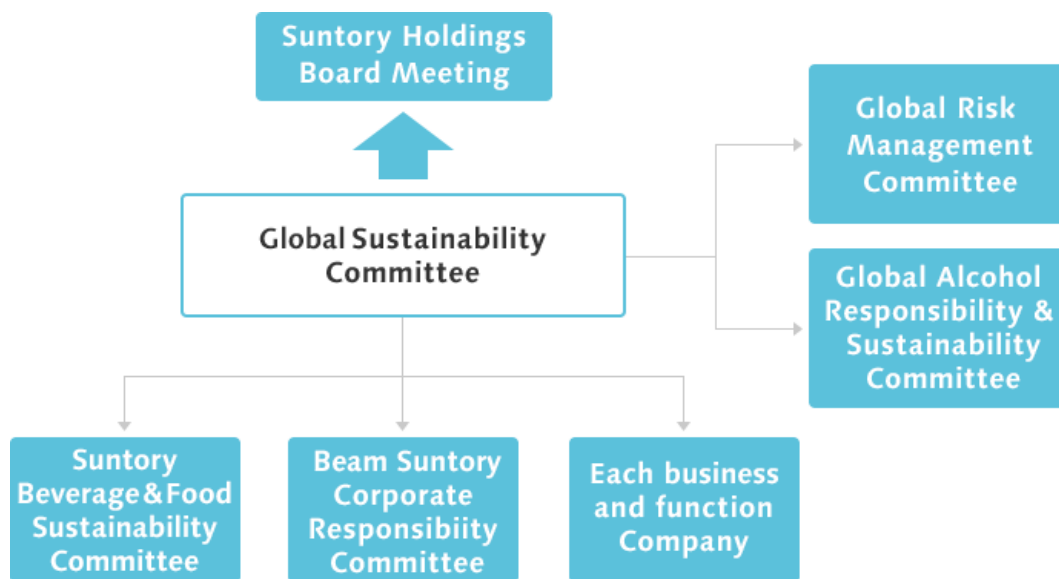
Related SDGs



Promotion Organization

With regard to the above sustainability themes and led by the Global Sustainability Committee, we promote global activities, formulate sustainability strategies, and monitor the progress on each project in coordination with the Board of Directors.

Suntory Group's Environmental Management Promotion Organization



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, factors including an increasing global population, economic growth of developing countries, and climate change have resulted in a global water crisis. There is concern that by 2050, 3.9 billion people, or about 40% of the world's population, will face the issues of water stress or water shortages*. We have placed achieving water sustainability as the first priority of the Basic Principles of Suntory Group's Environmental Policy. In addition, the Suntory Group's Sustainable Water Philosophy was established in 2017 to promote various initiatives.

*OECD Environmental Outlook to 2050 (2012)





Philosophy on the Sustainability Themes

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.

Initiative Introduction

Natural Water Sanctuary Initiative using 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 over 20 years is source for Suntory Tennensui Natural Mineral Water and Hakushu whisky.

The water cultivated in the Natural Water Sanctuary, which is managed scientifically by the Tokyo University of Agriculture Okutama Experimental Forest Project, brings life of The Premium Malt's.

— Management of 21 Forests Across Japan

Beer, whisky, non-alcoholic or other beverages Suntory produces 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 and in Indonesia and Thailand in 2019 with the hope of promoting environmental activities globally. 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.



— Goals and Achievements

Targets Toward & Progress





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," in order to protect the global environment, which to us serves as an important foundation of our business, we are working to reduce GHG emissions at our own sites around the world as well as in the entire value chain outside our bases and promoting environmental management throughout the Group.





Philosophy on the Sustainability Themes

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.

Initiative Introduction

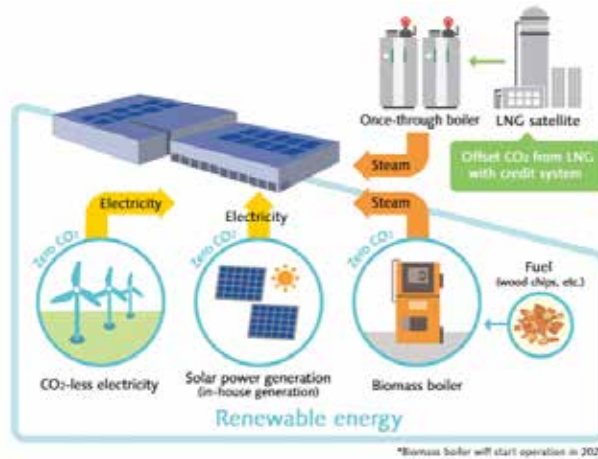
Utilization of the latest energy-saving technologies and renewable energy at our plants

We are proactively adopting the latest energy-saving technologies at Suntory Group plants. For example, we began 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 Tenssui Mineral Water, became the Suntory Group's first zero CO2 emissions plant in Japan through adoption solar power generation facility and boilers which use biomass fuel as well as electric power procurement derived from renewable energy. In overseas, four plants including the Donnery Plant in France achieved zero net-zero CO2 emissions using offset. With the Fred B. Noe Craft Distillery in the US planned to start operation in 2021, manufacturing and research sites are switching to the use of 100% renewable energy.



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

— Goals and Achievements

Targets Toward & 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 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. 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





Philosophy on the Sustainability Themes

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 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.

Initiative Introduction

Conducting risk assessment using Sedex

Suntory Group conducts a screening based on the Basic Policy on Sustainable procurement 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 May 2021, over 1000 manufacturing facilities of suppliers around the global are linked with the Suntory Group through Sedex, and we are 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



Support activities for blackcurrant farmers

Based in the UK, Suntory Beverage & Food Great Britain and Ireland (SBF GB&I) produces and sells of 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.





Philosophy on the Sustainability Themes

Reducing environmental impact from containers and packaging through our unique 2R+B*¹ 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 utilize naturally decomposable plant-based resins. We have created the lightest bottle cap produced in Japan*², the thinnest bottle label (consisting of 80% reused PET resin), and the lightest domestic PET bottle (consisting of 30% plant-based material)*³.

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.

Initiative Introduction

Accelerating Use of PET bottles Using 100% Sustainable Materials

We are working to switch all the PET bottles used globally for Suntory products to be made of recycled or plant-based material by 2030. We plan to achieve use of 50% or more recycled PET bottles for the soft drink business in Japan by 2022, three years ahead of the 2025 sustainability target. In 2021, we named the bottle using 100% recycled or plant-based material as “Mata-aeru (Let's meet again) Bottle” as well as designing a consumer friendly logo, and implemented them for 600mℓ and 650mℓ GREEN DAKARA Yasashii Mugicha. In the wine business in Japan, we also achieved 100% recycled 720mℓ PET bottles. In the UK, soft drink Ribena, excluding Rinena Sparkling, switched to using 100% recycled materials in 2020 and Lucozade Sport is planned to follow in 2021, further accelerating our initiative as a Group.



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. Compared to the conventional technology which required several processes before being able to manufacturing preforms, F-to-P direct recycling technology can reduce CO2 emissions by approximately 25%*4 and reduce CO2 emissions by at least 60% compared to bottles made by oil based materials. This F-to-P direct recycling technology received the WorldStar Award at WorldStar Packaging Awards 2019.

*4 Processes from spent PET bottles to the preform (1kg)



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 CO₂ emissions and energy consumption than ever before. Aiming for the actual utilization of this technology, 12 companies*⁵ (including Suntory) within the plastics supply chain established R Plus Japan Ltd., a joint venture company focused on the recycling of used plastics. 25 companies (as of the end of May 2021), including overseas partners and companies across industries, are collaborating to take on the challenge of realizing a recycling-oriented society together.

*5 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.

— Goals and Achievements

Targets Toward & 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.

Contributing to the SDGs





Philosophy on the Sustainability Themes

— 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.

Initiative Introduction

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. The non-alcoholic drink All-Free is a product that has zero calories, zero sugar, and zero purines. In 2019, we launched a functional RTD called Karada wo Omou All-Free, which can reduce visceral fat.



— 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.





Philosophy on the Sustainability Themes

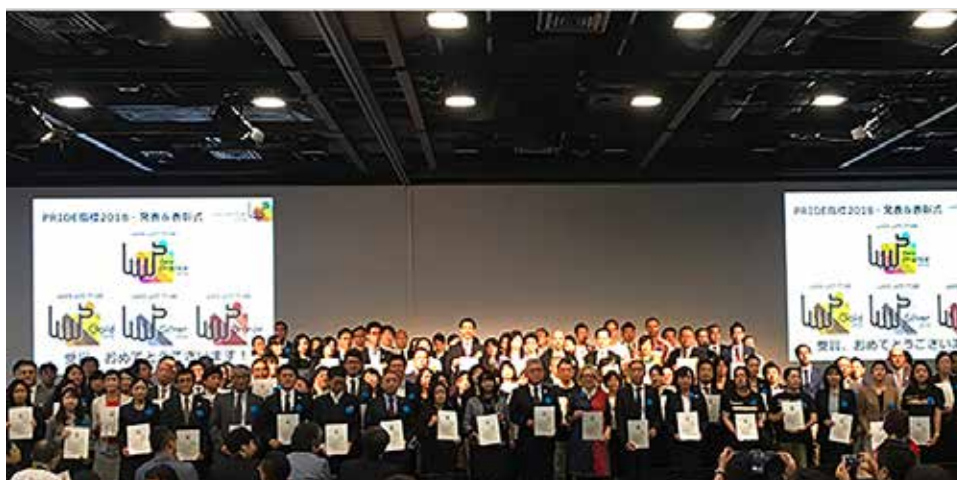
With the globalization of business practices, society is increasingly interested in the initiatives that companies take to protect human rights. The Suntory Group considers the respect for human rights of stakeholders a highly important issue and reflects it in its sustainability vision. To promote activities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

Initiative Introduction

Creating an organization that enables diverse employees to carry out "Yatte Minahare" through the promotion of diversification of characteristics that they hold and respect for their differences

To continue ceaselessly in the creation of new value, in 2011 we created the Diversity Promotion Section based on our belief in the importance of actively accepting and empowering a diverse range of people and values irrespective of nationality, age, or other attributes. Four prioritized activity areas ("Surpassing borders," "Overcoming gender," "Overcoming disabilities," and "Overcoming age") were set forth in 2012 with the Suntory Group Diversity Vision established in 2017. Further Promoting LGBT Activities in 2017 We created an LGBT Handbook, conducted e-learning for all employees, and received the highest "Gold" rating in the "PRIDE Index"*, which is the evaluation index for efforts related to sexual minorities.

*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 LGBT in Japan established in 2016.



In addition, the Suntory Group started employing people with intellectual disabilities in 2015. We hired 26 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.



Dialogue with experts for strengthening human rights initiatives

In October 2019 we started a dialogue with human rights experts from different organizations in cooperation with CRT Japan, with the aim of strengthening our human rights due diligence strategy. In October 2020 we did our second dialogue, in which the experts shared with us concrete areas for improvement on our strategy (both internal and supply chain).

We will keep engaging external stakeholders in order to further improve our current strategy and activities.





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.





Philosophy on the Sustainability Themes

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.

Initiative Introduction

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
<p>Voluntary Declaration of Consumer Orientation</p>	<p>Promotion of Group Quality Management</p>	<p>Quality Assurance from a Customer Perspective in All Processes</p>	
<p>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.</p>	<p>We are working to construct and promote a quality management system throughout the entire Group both in Japan and overseas.</p>	<p>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.</p>	
<p>Appropriate Information Disclosure</p>	<p>Communicating with Customers</p>	<p>Nurturing Employees that are Consumer Oriented</p>	
<p>We provide information on quality assurance and its activities in accurate and easy to understand way for the consumers to ensure their peace of mind and trust.</p>	<p>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.</p>	<p>In order to promote consumer oriented management, we conduct enlightenment activities to make employees consumer oriented.</p>	



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.

Sustainability Action Plan

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

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

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2020 Action Plan
Quality assurance based on the customer's perspective	Gain a higher level of trust from customers	<ul style="list-style-type: none"> Identified quality issues from customer feedback and improved quality. Continue food bank activities Continued food bank activities. Enhance system to procure high quality raw materials (grape, etc.) in a sustainable manner. Participated in GFSI activities to promote food safety. 	●●●	<ul style="list-style-type: none"> Identify quality issues from customer feedback and improved quality. Continue food bank activities. Enhance system to procure high quality raw materials (grape, etc.) in a sustainable manner. Create system to provide information related to Suntory's quality to overseas customers (global quality PR). Continue to participate in GFSI activities to promote food safety.

<p>Quality assurance based on the customer's perspective</p>	<p>Enhance group-wide quality assurance system and create synergy</p>	<ul style="list-style-type: none"> Expanded comprehensive safety and reliability check activities on a global level and perform these activities throughout the group. Began activities to share and implement Suntory's shared value globally through stipulating values and action guidelines for manufacturing we kept since the founding in Suntory MONOZUKURI Values (SMV). Reorganized Group Quality Management System, established quality management rules and standards and shared them with the Group companies. Began communication with overseas Group companies to share legal and risk information globally. Released quality related information that wanted to be shared with overseas Group companies on the intranet. 	<p>●●</p>	<ul style="list-style-type: none"> Expand comprehensive safety and reliability check activities on a global level and continue to perform these activities throughout the group. Engage in direct communication with overseas Group companies to deepen their understanding about Suntory MONOZUKURI Values (SMV). Promote implementation of activities based on SMV in overseas Group companies. Implement Group Quality Management System and activities based on the quality standard in overseas Group companies. Share legal and risk information globally in a timely manner with overseas Group companies and enhance system that can respond to them from early stage.
<p>Communication with customers</p>	<p>Deepen relationships with customers by listening to customers' opinions more broadly and deeply than before</p>	<ul style="list-style-type: none"> Implement external assessment of telephone and email support and enhancing the PDCA cycle improvement activities Hold training on product knowledge for staff of the Customer Center to improve their skills Strengthen active support (customer support utilizing SNS) 	<p>●●●</p>	<ul style="list-style-type: none"> Continuous activity to improve quality of response of the Customer Center Promote PDCA activities based on results of evaluation of quality of response by external review Hold training and workshops on product knowledge for staff of the Customer Center to improve their skills Appoint customer service leaders primarily at sales sites Improve provision of information through Customer Center website. Promote and develop new methods to communicate with customers based on advancement in digital technology
<p>Reflection of customer feedback in corporate activities</p>	<p>Expand system for improving products and services based on consumer feedback and penetrate throughout the entire group globally</p>	<ul style="list-style-type: none"> Implement prior assessment activities from customer perspective in each process in merchandising Enhance VOC activities that utilize customer feedback in management and merchandising (implement regular VOC meeting with departments involved in product development) Conducted seminars designed for all employees 	<p>●●●</p>	<ul style="list-style-type: none"> Implement VOC activities in the entire value chain Improve products and services utilizing customer feedback Continue to conduct seminars designed for all employees

■ Alcohol Related Problems

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Responsible marketing	Prevent inappropriate marketing from an ARS* perspective. *ARS: <u>Alcohol</u> producer's <u>Responsibility</u> to prevent alcohol related harms for pursuing the <u>Sustainability</u> of our business.	<ul style="list-style-type: none"> Information sharing and regular meetings with related departments and divisions. Providing seminars for newly appointed brand managers. Compiling database of past cases. 	●●●	<ul style="list-style-type: none"> Raising level of understanding among internal stakeholders through regular meetings for sharing information and reviewing cases. Deepening ARS knowledge of internal stakeholders on industry trends, past cases, self regulatory codes, etc.
Prevention of alcohol misuse and promotion of responsible drinking	Promotion and raising awareness of responsible drinking for consumers and employees.	<ul style="list-style-type: none"> "Drink in Moderation" campaign utilizing advertising media, such as Newspaper, SNS and Digital Signage. Drink Smart e-learning and ALDH-2 genotype check for 7,000 Suntory's employees. 	●●●	<ul style="list-style-type: none"> Continuation of "Drink in Moderation" campaign through newspaper and Digital Signage. Raising awareness of responsible drinking by monthly SNS posting. Increasing the number of Suntory's employees taking e-learning for responsible drinking to 20,000.

■ Promoting sustainability activities in the supply chain

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Promoting sustainability activities in raw material procurement and distribution	Promoting supply chain sustainability	<ul style="list-style-type: none"> Continued supply chain sustainability initiatives questionnaires after sharing sustainable procurement policy with the partners Shared sustainable procurement policy with overseas Group companies (implementation of global procurement meeting) Strengthened measures through the Safety Committee to promote safety coordinated with distribution affiliates 	●●	<ul style="list-style-type: none"> Continuation of supply chain sustainability initiatives questionnaires Newly implement environmental questionnaires Conduct hearing with overseas Group companies on their activities Continue to conduct hearings with ingredient suppliers on human rights issues
	Improve safety in the distribution system			<ul style="list-style-type: none"> Improve and continue promoting safety in logistics

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 manufacture, 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 nurture corporate culture and awareness take action from the viewpoint of customers

The Suntory Group will continue its Customer Satisfaction Cultivation Activities in our attempt to nurture 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** 
(FY2019)
PDF file: 28.7MB



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



> **Voluntary Declaration of Consumer-orientation Activity 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*

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.

SUNTORY 2018

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 Limited 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.



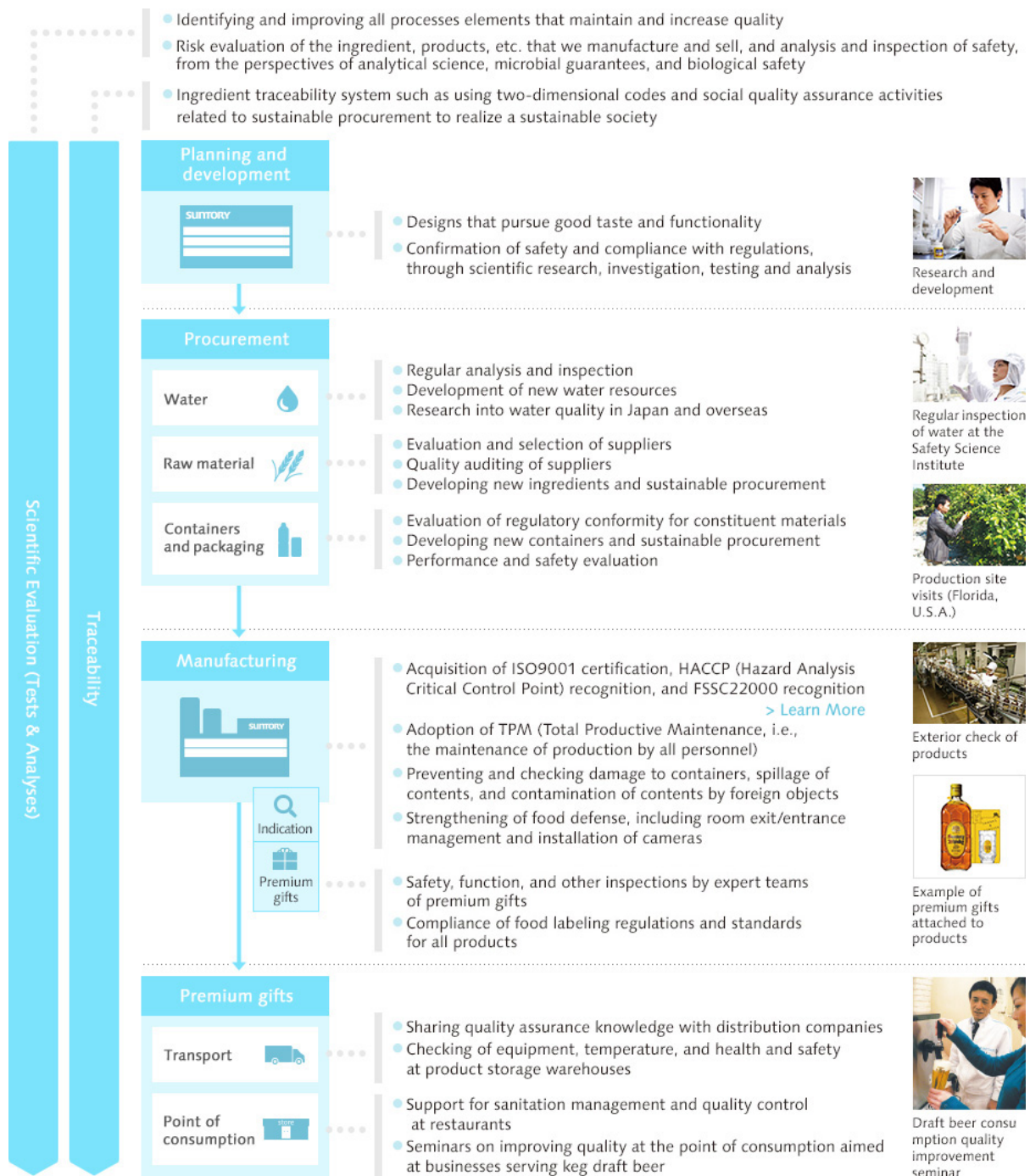
Sharing and expanding SMV in New Zealand

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' peace of mind 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.

Realizing Easy to Understand and Accurate Product Labeling

In addition, we promote the display of accurate information that is easy to understand through Quality Assurance Division checking and building a system to secure compliance and validity, collaborating with the related divisions in charge of development and production of each Group company.

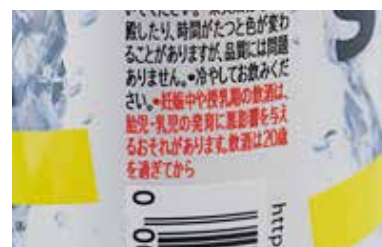
■ Examples of Labeling on Products

Example of display to prevent drinking alcohol by mistake

We display the alcohol logo on products so that low alcohol drinks such as Chu-Hi are not mistaken for soft drinks. In addition, "Contains Alcohol" is written on the lid of the can with "Alcohol" written in braille on our main 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

Allergenic Labeling

Suntory has investigated raw materials and has confirmed whether or not they need to be indicated on products as allergenic. Soft drinks are not only part of the 7 items that require labeling by food labeling laws but also are included in the 20 items recommended for labeling on products. Alcoholic products are exempt from allergenic labeling, but we label low-alcohol drinks such as beers and Chu-Hi allergenic information based on our own rules and regulations.

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

The best by dates of soft drinks have generally included the day, month and year up until now, but the Suntory Group has worked to display only the month and year (indicated in Chinese characters) for products with best by dates that are longer than one year to reduce the environment burden even slightly with inventory management and other measures while also providing customers with easy-to-understand information. The month and year best by dates started to be displayed on the 2L Suntory Minami-Alps Tennensui plastic bottles in 2013, and then gradually expanded to can coffee and tea drinks.

Introduction of Safety and Reliability Initiatives

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. In the future, we will continue to provide information about safety and reliability so that customers may 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 2020 until December 2020, 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.

Realizing 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 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 18 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., Suntory Beer Ltd., Suntory Liquors Ltd., Okinawa Suntory Ltd., Suntory Wine International Ltd., Suntory MONOZUKURI Expert Ltd., Suntory Communications Limited, Suntory Business System Limited, Suntory System Technology Ltd. Suntory Global Innovation Center Ltd., Suntory Corporate Business Ltd. and Sunlive Co., Ltd., Suntory Beer, Wine & Spirits Japan Limited

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 result of the responses when inquiries are received thought inputting the information in our core information management system, valuable information from the customers is shared immediately with relevant departments to enhance quality, improve risk management, etc.

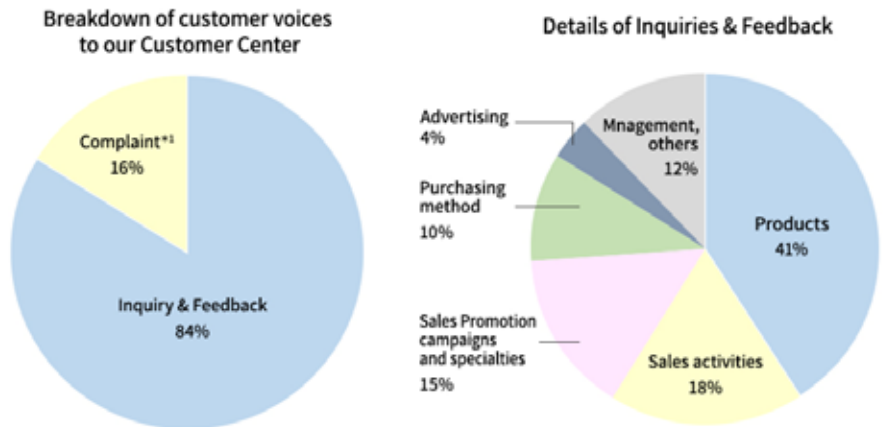
We periodically share the feedback we receive from the customers with relevant departments to strengthen our VOC activities*1 that reflect this feedback in our corporate activities and employees course for action, which includes improving our products and services and enhancing our provision of information.

*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 2020: Approx. 60,000)



*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

91% 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. The received opinions are directed to the actual person that addressed the issue in question 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 (2020 results).

■ Making Use of Customer Opinions

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>

[BOSS Cafe Base] Reviving a graduated bottle

Since we discontinued a graduated bottle that had a scale to make it easy for customers to dilute it to their preferred strength, we have received requests from our customers to bring back the bottle with a scale for easy measuring. So, we started using the graduated bottle again to satisfy the customers' request.



[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 "lyemon"] 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 "lyemon" bottle, we have placed a notification on our website to inform customers that matcha used for "lyemon" 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 a Maker's Mark bottle sealed with red sealing wax

As we had received inquiries about how to open a "Maker's Mark" bottle, we posted on our website instructions on how to open the bottle. We also added a link on the back of the label to direct people to our website.



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 online and SNS tools

We work to enhance information on the Customer Center homepage 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. In addition, we have also established a dedicated SNS account to actively support feedback from the customers.



Suntory Customer Center homepage (PC Site)



Suntory Customer Center homepage (Smartphone Site)



Suntory Customer Support Account

Spreading the Word About Our Consumer Oriented Initiatives Throughout Society

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

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

In April 2017, we revised our customer 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 Customer 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 in work activities.



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

Nurturing Employees that are Consumer Oriented

In order to promote Consumer oriented management, we conduct enlightenment activities to make employees Consumer oriented.

Continuing to Meet Consumers Expectations

Each of our employees is putting their strength into Consumer Oriented Enlightenment Activities while nurturing work ethics for the purpose of becoming a company employee able to deliver products and services that surpass Consumer expectations by deepening our grasp of the changing awareness and interests of Consumers.

■ Overview of Consumer Oriented Enlightenment Activities

Customer Oriented Spirit Cultivation

Initiative	Target	FY2020 results
Top commitment (Homepage/Video)	All employees	All year
Customer oriented spirit development seminar	All employees	50 seminars a year
Customer oriented spirit month discussion at all departments	All departments	Held in May
Customer oriented spirit month leader program	All sales sites	Held year-round
Customer oriented spirit ambassador program	Departments with ambassadors	Held year-round

Human Resource Development

Initiative (Suntory University)	Target	FY2020 results
New manager training Lecture on nurturing customer oriented spirit	New managers	Twice a year
4th year training Customer experience program	4th year employees	13 times a year
New employee training Lecture on basics of customer oriented spirit	New employees	Once a year

Enhancing VOC* Contact Points

Initiative	Target	FY2020 results
Monthly report	All employees	Once a month
Weekly report	Management level	Once a week

*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.

Each business unit of the Suntory Group understands the reasons behind customers' interests and their feedback and utilizes their understanding to improve their customer-oriented approach and business 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 complaints and words of encouragement from Customers and is presented with examples of Customers oriented activities performed in various actual work environments internally to deepen a Customer oriented mentality 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 introduction 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.



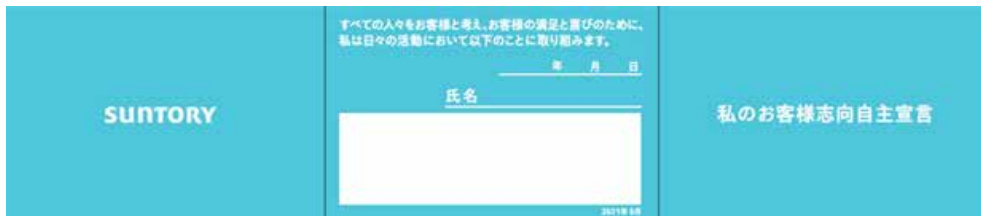
Management executive listening to customer feedback



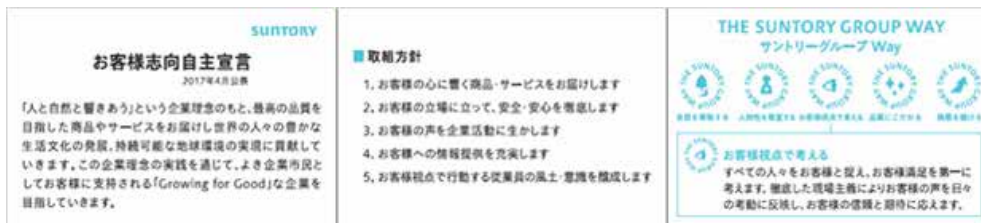
Managers listening to customer feedback

■ 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

■ Placing Employees in Charge of Customer Oriented Spirit Promotion in Locations Where Business Takes Place

In 2018, Suntory began appointing Customer Service Leaders entrusted with the main role to further penetrate and grasp Customer oriented business practices around the many sales sites which are one of the main contact points with customers. In 2019, we have been promoting Customer oriented behavior in each department through efforts including starting to place some Customer Oriented Ambassadors also in locations other than sales officers.



Participants reviewing activity goals and entire year



Session with management

■ Human Resources Development at Every Level



As a part of our human resources development program Suntory 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.

■Improving Opportunities for Employees to Listen to Customers

We engage in activities to strengthen opportunities to share customer feedback with employees, even those who rarely interact with customers directly.

Transmission of Information via Intranet and Email

We share, via intranet and email, opinions and requests received from customers which are sent out on a weekly and monthly basis so that all employees will look at customer feedback on our products and corporate activities to influence their own work and actions. It also includes opinions and thoughts of the employees about customer feedback. Opinions of other employees are offered to share various viewpoints through exchanging opinions with each other.

Harmonics report 2021年3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

サントリアンの声

全ページを通して閲覧する

- サントリーの環境への姿勢に寄せられた声**
「サステナビリティに積極的に取り組まれる貴社だからこそ今僕に期待しています。」
- 『ほろよいくシュワビタサワー』新発売反響**
「カフェインは入っていますか？カフェインが入っていると飲めません。」
- 『クラフトボス』紅茶シリーズ リニューアルの反響**
「最近見つからなくて買ってたらパッケージ変わって内容量も減り、お安くなって歓喜!!」
- 2月号 サントリアンの反響**
「競合のいいところは真似しつつ、新しいアイデアを生み出していきたいです。」

Harmonics Report provided to employees via our intranet

To Create Harmony with Customers and Partners: Products and Services

Sustainable Procurement

Suntory Group are 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 we need 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.

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.

Promoting Sustainability Activities Throughout the Entire Supply Chain

■ Promotion Organization

We have newly established the Procurement Development Department in April 2021 to further fulfill our corporate responsibility in climate change, environmental issues, human rights, and other social issues. This new team promotes long-term raw material procurement strategy of the Suntory Group, 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. We share the policy with major suppliers at the annual supplier meeting explanation. Suntory Beverage & Food Europe, Suntory Beverage & Food Asia Pacific and other companies share a Code of Conduct with suppliers to sign and agree to.

■ Monitoring of Suppliers

We conduct a screening based on the Basic Policy on the Sustainable Supply Chain for all new suppliers. In addition, we joined the Sedex, the largest supplier ethical information sharing platform for corporate ESG data in the world, in June 2019. We are promoting sharing ESG data through joining Sedex and responding to SAQ*. manufacturing facilities of approximately 650 suppliers around the global have a connection with the Suntory Group through Sedex, and we purchase more than 70% of ingredients and packaging materials from Sedex members.

Management Approach

Suntory Group identifies potential and inherent risks using a risk assessment tool offered by Sedex. Specifically, we evaluate the ability to manage potential and inherent risks of the suppliers with SAQ. In addition, we also confirm inherent risks based on third-party audit information that can be checked on Sedex. Furthermore, we directly discuss issues identified through the audit results with the supplier to implement improvement activities.

Status of Risk Assessment and Improvement

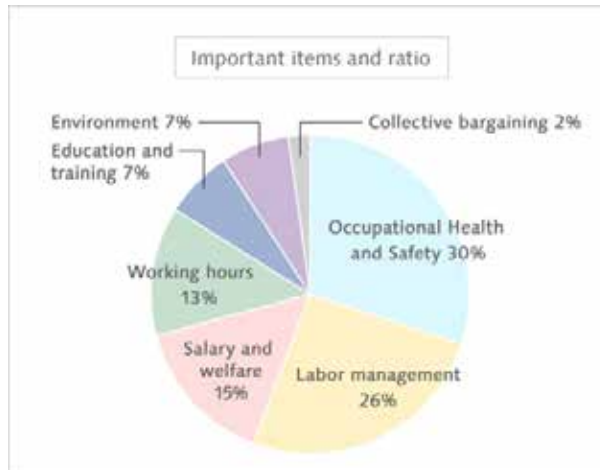
Potential Risks of Supplier (As of May 2021)

	(Number of manufacturing sites/%)	
Low	153	15%
Medium	610	59%
High	78	8%
Responding	193	19%
Total	1,034	

Suntory Group sends feedback result of the assessment of the supplier's ability to manage potential risks to suppliers that were evaluated as having "Medium" or "High" risks by the Sedex assessment tool and discuss about their improvement. Some Group companies conduct third-party audit for suppliers with high risks and aim for a deeper understanding of the current challenges.

Inherent Risks of Suppliers (As of May 2021)

138 important non-compliances were confirmed by the third-party audit results that can be checked in Sedex.



We communicate with suppliers to confirm that the identified non-compliances are improved within six month. We confirmed that 62 items were solved as of the end of May 2021.

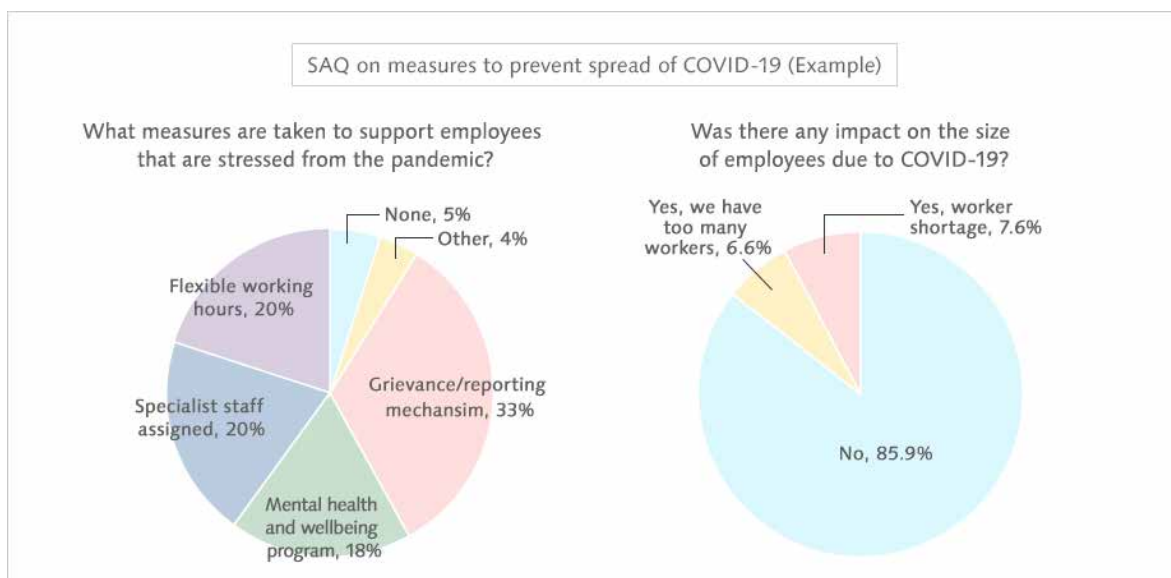
Supplier management cycle is being carried through the use of Sedex and environmental and social risks have become visible as explained above.

We also conduct an SAQ related to sustainability every year targeting major suppliers of Packaging Material Department and Distribution Department that have not joined Sedex. Results of our SAQ (19 items/each rated on the scale from zero to three) in 2021 showed that suppliers that answered are diligent in efforts related to sustainability. The average score of suppliers in Purchasing Department was 2.88, Packaging Department was 2.95 and Distribution Department was 2.74.

*SAQ:Self Assessment Questionnaire

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*¹ and UTZ*², 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 Cassis Farmers

Suntory Beverage & Food Great Britain and Ireland manufactures and sells Ribena, a soft drink loved by many in Europe. As 90% of the cassis used for Ribena are grown in the UK, SBF GB&I began supporting sustainable agriculture of cassis farmers in UK from 2004. SBF GB&I employs agronomist, a specialist in cultivation, that directly advice farmers and stipulates individual biodiversity plan according to the biological habitat of each farm and surrounding area to protect the ecosystem of rivers and wetlands.

It also conducts research on new species of cassis that is resilient to climate change. In July 2020, new species of cassis that is resilient to climate change named Ben Lawers cassis were harvested. This was a result of a long-term joint research with the James Hutton Institute, a research institute for agriculture.

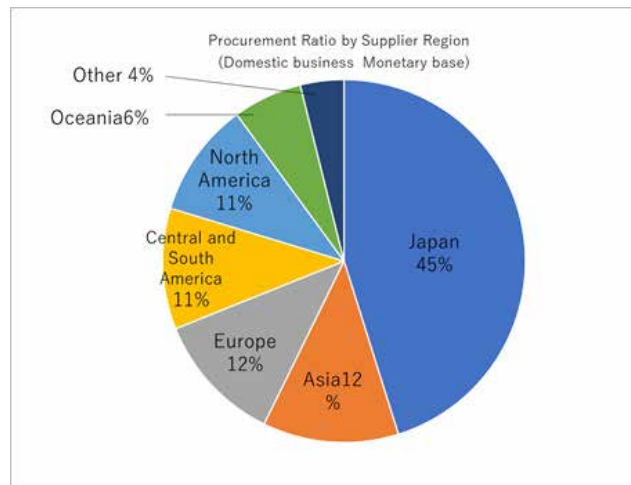


Cassis harvested for Ribena

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.



Improving Cooperation with Business Partners

The Suntory Group strives to promote CSR 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 outsources, 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.

We consider our business partners as trusted partners who combine their strengths with ours in order to provide products and services that bring joy to 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 2020.*

*The number of business partners targeted by the subcontract Act is 43 for the Purchasing Department (about 12% of the transaction fee) as of December 2020 and 116 companies for the Packaging Material Development Department (about 11% of the transaction fee) as of December 2020.

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 2020, the Safety Committee, which grew out of our connection to our distribution affiliates, to which we outsource the distribution of our products had 270 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 152 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.

Certifications have been obtained by 620 out of the 1300 dispatching and shipping sites operated by the Suntory Group's distribution affiliates (as of the end of 2020), for a certification rate of 48%. This greatly exceeds the average certification rate of 31.3% (according to a December 2020 Japan Trucking Association survey) for the trucking industry as a whole. 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.

"Knowing the facts about alcohol and enjoying it responsibly helps people enjoy healthy and balanced lifestyles" - this is our "DRINK SMART" goal.

Reducing harmful use of alcohol is an important issue for society, and the Suntory Group actively promotes responsible consumption of alcohol and raising awareness of the importance of drinking in moderation - "Drink Smart" is the foundation of this principle.

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 underage 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 formulated the Suntory Advertising Code, making it an industry leader in exercising self-regulation in its promotions and advertising related to alcoholic beverages. We subsequently established the ARS* Committee to address alcohol-related harms and the Global ARS Department. We focus on (1) responsible marketing, (2) promoting responsible consumption among our consumers, customers and our employees.

*ARS: Alcohol producer's Responsibility to prevent alcohol related harms for pursuing the Sustainability of our business.

■1. Practice responsible marketing

Responsible Marketing:

The Global ARS Department reviews all marketing activity for products containing alcohol prior to launch. We have a long-established a process for product labeling, a rigorous marketing code, and we continually update these voluntary standards through involvement with industry associations.

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 underage 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 Brand Managers

The Global ARS department conducts seminars for newly appointed brand managers twice a year to increase awareness of the voluntary standards the beverage alcohol industry has set, and Suntory's own marketing code. In the session, managers learn the discipline and practices of responsible marketing from product development to promotional activities with various 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>Drink Smart Seminar</p> <p>We conduct "Drink Smart Seminars" which discuss the facts about alcohol, including how individual differences, such as gender, height, weight and ethnicity affect alcohol metabolism.</p>	 <p>Alcohol Metabolism Genetic Testing</p> <p>We offer alcohol metabolism genetic testing to all employees for their consideration and to deepen understanding of responsible consumption.</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 responsible consumption among employees through educational movies, e-learning, and 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.

ザ・プレミアム・モルツ



涼れたす華やかな香りと深いコクが特徴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取り込み、製法を追求することで、心癒よい味域に磨きをかけ、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	4901777202204
賞味期間	9ヶ月		

※2005年11月より販売から価格の改定は行っておりません。

容量・サイズ

500ml缶	290ml缶	500ml瓶	334ml瓶
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原材料	麦芽 (99.94%大麦又は99.94%大麦)、ホップ
アルコール度数	5.5%
純アルコール量 (350mlあたり)	15.4g

成分・特性		
エネルギー (100mlあたり)		47kcal
たんぱく質 (100mlあたり)		0.4~0.6g
脂肪 (100mlあたり)		0g
炭水化物 (100mlあたり)		3.7g
- 糖質 (100mlあたり)		3.6g
- 食物繊維 (100mlあたり)		0~0.2g
含有塩分 (100mlあたり)		0~0.02g
アミン値 (100mlあたり)		約11.6mg

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・麦酒類・新ジャンルのおすすめ銘柄一覧](#)

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>
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Recommend Drinking in Moderation

 <p>Raising awareness about drinking in moderation with humorous illustrations and witty approach to decline invitations to drink on non-drinking days advertisement.</p>	 <p>Original digital comic book on the weekend of three women enjoying alcohol beverages responsibly.</p>
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• Prevent the Abuse of Alcohol

 <p>We publish a Family Guide to Preventing Underage Drinking for children and their guardians. We also conduct seminars at elementary and junior high schools.</p>	 <p>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.</p>	 <p>No Binge Drinking! Campaign, collaborated with NGOs - Council for the Prevention of Binge Drinking.</p>
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Responsible Drinking Initiatives by the Beverage Alcohol Producers Associations in Japan

 <p>We engage in the STOP! Underage Drinking Campaign twice a year primarily on public transportation advertisements.</p>	 <p>We cooperate with the School Competition to Prevent Underage Drinking, which promotes school efforts to prevent underage drinking.</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 11 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 underage 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 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 (SBF)

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 (Barlen 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.

■Reducing Negative Impact

In order to limit the potential for negative impacts, we are 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. We have already made progress toward this goal, introducing sugarless Lucozade, Ribena, and other products to our portfolio. As of the end of 2020, we have succeeded in reducing the amount of sugar used in our products by 22% compared to 2015. In Oceania, we have committed to ensuring that low- and no-sugar products will make up more than half of the Group's future growth. We also aim to increase the portion of our portfolio that is low- and no-sugar to 1/3 by 2030. Currently, we are promoting sugarless products such as V. As of end of 2020, one in five of our drinks sold are low, or contain no sugar.



Furthermore, we are focused on developing products that use a minimal amount of artificial colorings and flavors. In France, our product Oasis was renewed in 2019 to a recipe which uses less sugar and only 100% natural ingredients. In the UK, our product Lucozade Revive is made from natural flavors derived from fruits and does not include any artificial coloring. Lastly, 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.

■ Information Disclosure and Responsible Marketing

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 confirm the need for allergen labelling. 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 Europe, too, we promote responsible marketing and participate in UNESDA's responsible marketing in schools program.

■ 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 started as a company that handles health related business for the Suntory Group. It will contribute the realization of a healthy, radiant daily "Wellness Life."

■ Sesamin- From Functional Analysis to Release as a 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

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 Promotion



Preserving and Regenerating the Natural Environment



Reducing Environmental Impact



Environmental Communication

環境ビジョン2050

自然保護中
2050年以降の
水資源の確保

2030年目標

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.



Measures Against Climate Change

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.

Sustainability Action Plan

Target achieved : ●●● Achieved 70% or more : ●● Achieved less than 70% : ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Preserving and Regenerating the Natural Environment	Global expansion of conservation activities to protect wild birds that are the symbol of biodiversity	Surveys of birds focusing on birds of prey at Natural Water Sanctuaries are conducted at 12 locations, and maintenance is conducted in forests of focus giving consideration to their breeding and nesting environments.	●●	We will continue surveying birds focusing on birds of prey, which are the top of the ecological pyramid, at Natural Water Sanctuaries and promote comprehensive forest maintenance giving consideration to their breeding and nesting environments. Suntory Fund for Bird Preservation will continue to promote the support for wild bird conservation activities through aiding various organizations in and outside Japan.
	Nest building and rearing of chicks by eagles and hawks at all the Natural Water Sanctuaries in Japan	<ul style="list-style-type: none"> Supported wild bird protection activities in Japan and overseas through grants from the Suntory Fund for Bird Preservation. Expanded informational communication through updates to the Save the Birds website. 		
	Expand the area of Natural Water Sanctuary so as to make it twice the size of the territory where Suntory withdraws water for its plants in Japan. (12,000ha)	In addition to implementing various activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees based on the mid- to long-term vision, Natural Water Sanctuary Project has also been used to provide forestry engineer training and help restore mountain forests damaged from typhoons. There are more and more case examples of Ikurinzaï - Timber from cultivated forests*1 inside and outside of the company, and we will continue to establish a system for strengthening and intensifying its utilization in the future. Our expansion of Natural Water Sanctuary contract areas achieved our midterm goals—targets toward 2020—a year early.	●●	Through these Natural Water Sanctuaries, we aim to create forests with a higher level of water cultivation and rich biodiversity. In addition to continuing to implement activities such as tree thinning and transport of trimmings, building roadways and walkways, installing protective fences around vegetation, planting and nurturing seedling of local trees, the Natural Water Sanctuary Project specifically strives to develop forests that are able to endure mountain disasters. We will further promote the use of Ikurinzaï - Timber from cultivated forests*1 in the future.

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Preserving and Regenerating the Natural Environment	Sharing our values and raising awareness on the importance of water	Expanded content of Suntory <i>Mizuiku</i> activities and enhanced awareness raising and dissemination of value of water and importance of nature that nurtures water	●●	Expand content of Suntory <i>Mizuiku</i> activities, which have been implemented for 18 years, and enhance awareness raising and dissemination of value of water and importance of nature that nurtures water.
		<ul style="list-style-type: none"> Outdoor School of Forest and Water held a total of 6 times and 188 people participated Teaching about Water at Schools held at total of 121 schools and 9,451 people participated 		<ul style="list-style-type: none"> 74 times and 1,800 people expected to participate in the Outdoor School of Forest and Water 210 schools and 16,800 people expected to participate in the Teaching about Water at Schools
		<ul style="list-style-type: none"> 6,200 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Vietnam 3,900 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Indonesia 500 people participated in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Thailand 		<ul style="list-style-type: none"> Expand <i>Mizuiku</i> - Natural Water Education Program in elementary schools to Dong Nai Expand <i>Mizuiku</i> - Natural Water Education Program in elementary schools to Jakarta 2,750 people expected to participate in the <i>Mizuiku</i> - Natural Water Education Program in elementary schools in Thailand
Reducing Environmental Impact	Reduce water per unit production at Suntory Group*2 plants by 15%*3	Further reduce water usage at Group plants (reduction of water use intensity by 17.0% compared to 2015)	●●●	Reduce the use of water for washing and cooling manufacturing equipment and containers
	Reduce CO2 emission in the entire value chain of Suntory Group*2 by 30%*4	Further reduce CO2 emissions throughout the entire value chain	●	Reduce the weight of containers, use of renewable resources and energy conservation at plants, proactively introduce vending machines that consume the least amount of electricity in Japan, etc.

*1 Suntory coined wood materials generated during maintenance for nurturing healthy forests as Ikurinzaï - timber

*2 Group companies that collectively account for more than 95% of the Suntory Group's sales in 2015 (including overseas companies)

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

*4 Total reduction based on the business fields in 2019

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



FY2020 Targets, Results and
Evaluation



Environmental Education for
Employees



Environmental Management

Environmental Vision

The natural environment is an important foundation of our business. That is the reason why the entire Suntory Group promotes environmental management. Suntory Group actively engages in activities to pass down a sustainable society to the next generation.

Basic Policy on Group's Environmental Activity

We believe that while providing the bounties of water to the customers, protecting beautiful and clean water, using them appropriately and returning water to the nature is a great responsibility that we as a company that coexists with water. The circular system consisting from plants and forests that are nurtured by water, rivers, oceans, atmosphere, and the ecosystem made by living things are the basis of all life. Suntory Group realizes that environment of earth itself is our important basis of business.

We will continue striving to build a rich and sustainable society through spreading this policy to the entire Group and preserving and regenerating the natural environment and reducing environmental impact.

■ Indicating Prioritized Initiatives in the Basic Principles of Suntory Group's Environmental Policy

Suntory Group sets principles that clearly indicate our prioritized initiatives such as water sustainability, preserving biodiversity, efficient use of resources and challenging for a low-carbon company. With a more global perspective, we have revised the principles for the first time in five years in 2015.

Basic Principles of Suntory Group's Environmental Policy (Established 1997, Revised 2015)

The Suntory Group positions environmental management as the foundation of its business activities, and is committed to passing down a sustainable and vibrant society to future generations from the perspective of our entire value chain.

1. Achieving water sustainability

We treat water, the most important resource for our business, carefully and contribute to the healthy circulation of water in the natural environment.

2. Taking initiative in conserving biodiversity

As a company that relies on the riches of water and agricultural produce, we strive to conserve biodiversity, the source of their blessings, for the future.

3. Promoting the 3Rs in innovative ways for an effective usage of resources

We aim to help bring about a recycling-oriented society, we promote the 3Rs (reduce, reuse, recycle) of raw materials and energy resources by continuously refining our technologies.

4. Mobilizing group-wide efforts to become a low-carbon company

We strive to reduce the emission of greenhouse gases throughout all of our workplaces in order to prevent climate change.

5. Communication with the Society

We strive to pass down vibrant global environment for the next generation by active disclosure of information and engagement in activities through interaction with the society.

■ 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 Environmental Targets toward 2030.

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 water consumption by 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
- Share the Sustainable Water Philosophy broadly in communities where we are expanding our primary businesses

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

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

Environmental Targets toward 2030

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

1. Water

- Reduce water use at our plants by 15% globally by using the latest water conservation technologies*¹
- Conduct water resource cultivation activities in areas with high water stress at more than half of our plants
- Pursue sustainable water use in cooperation with suppliers for main raw materials with a high water load
- Expand water enlightenment programs and initiatives to provide safe water to more than 1 million people

2. Greenhouse gas (GHG)

- Reduce GHG emissions from our direct operations by 50%*²
- Reduce GHG emissions across our entire value chain by 30%*²

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

*² 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. In addition, the company will start introducing internal carbon pricing to its group companies this year and plans to invest a total of approximately 100 billion JPY (equivalent to approximately 900 million USD*2) 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. This will well position the company to meet its target to halve GHG emissions in its direct operations by 2030*3 and ultimately achieve net zero GHG emissions across its entire value chain by 2050.

*1 For its alcohol and non-alcohol beverage business

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

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

■ 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 scope 3 target has also been approved by the SBTi as ambitious value chain goals and 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

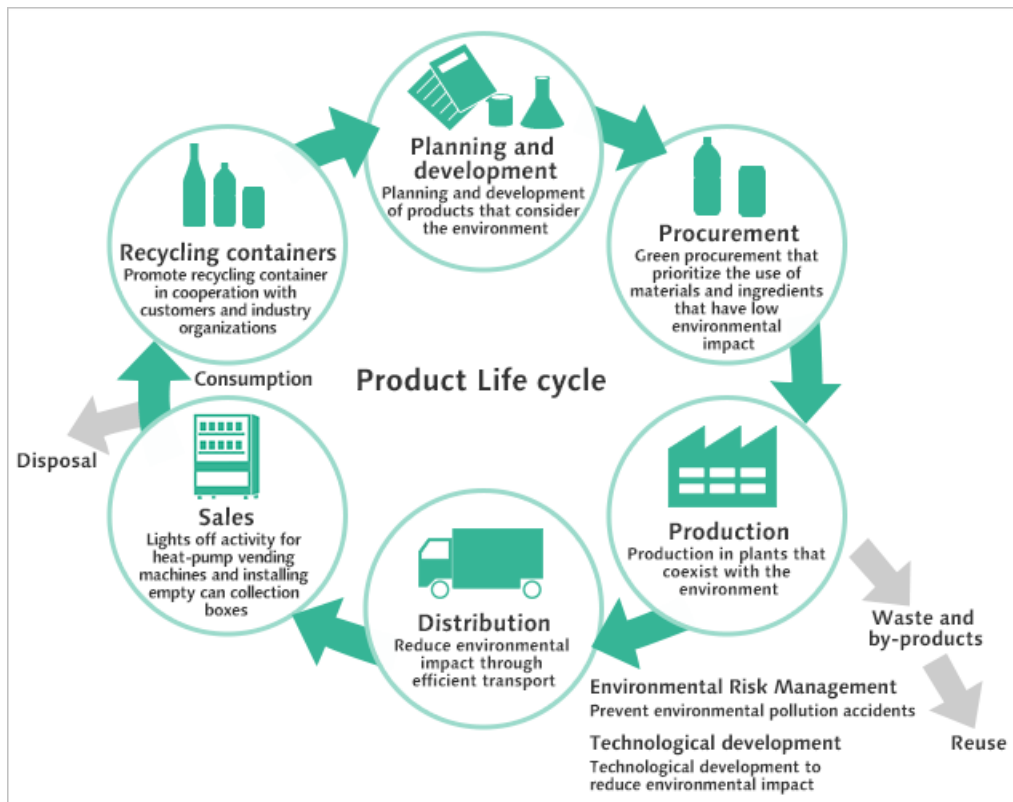
We are engaging in activities to reduce environmental impact in the entire product life cycle.

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

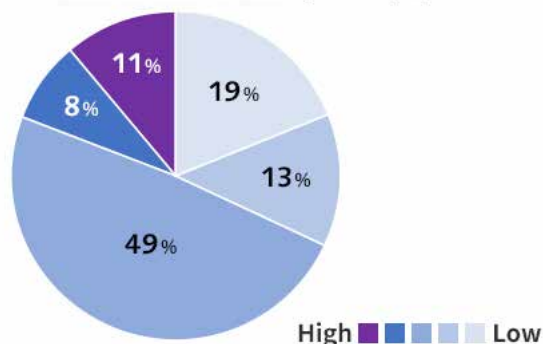
Created based on the Baseline Water Stress score for each country adopted in the Aqueduct Risk Atlas by the World Resources Institute. <https://www.wri.org/applications/aqueduct/country-rankings/>
 Hofste, R., S. Kuzma, S. Walker, E.H. Sutanudjaja, et. al. 2019. "Aqueduct 3.0: Updated Decision-Relevant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

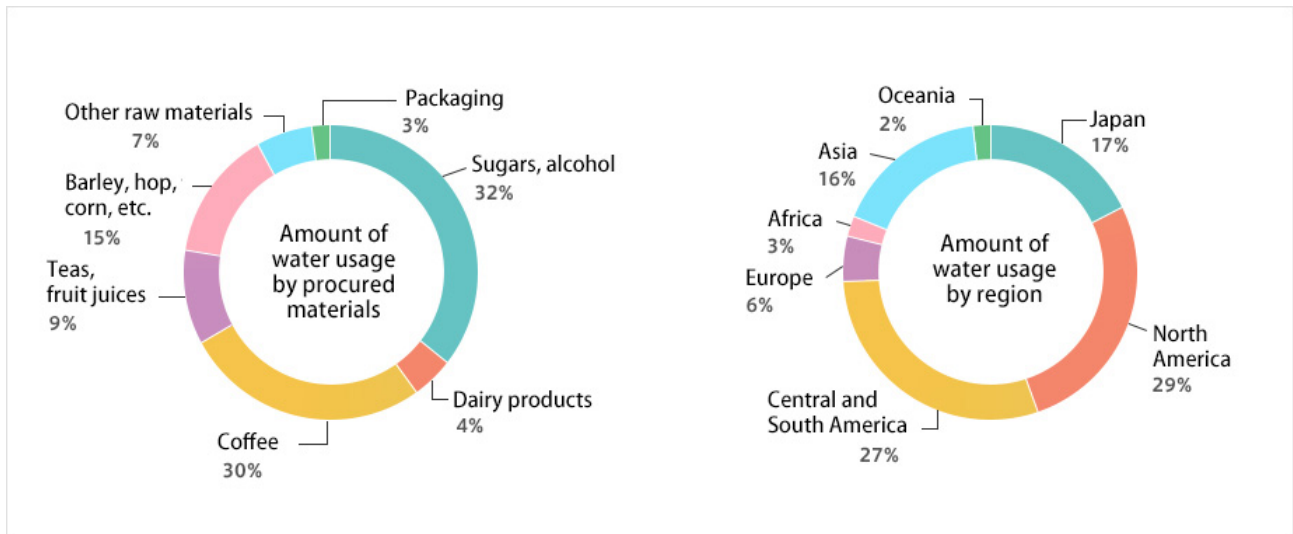
*Plants located in a country with a Baseline Water Stress score of "extremely high" or "high" in the Aqueduct by the World Resources Institute.

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.

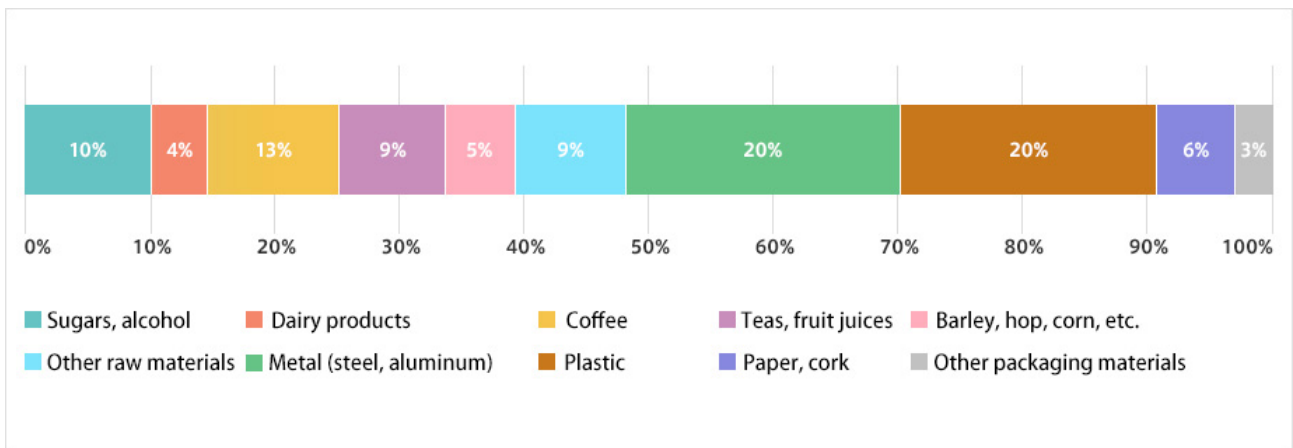


Ratio of Water Use by Raw Material and by Region in the Upstream Supply Chain (2015)

*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.)

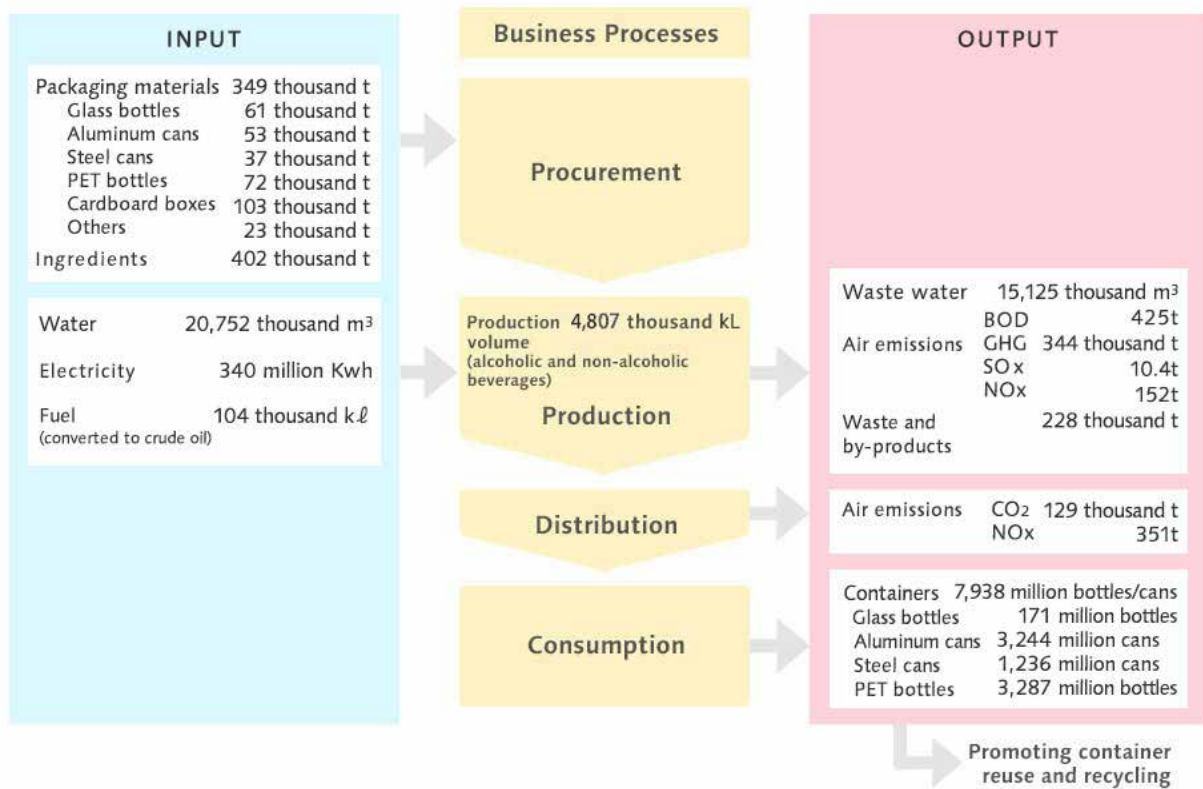


Ratio of GHG Emissions by Procurement Item in the Upstream Supply Chain (2015)

*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

■ Overview of business activities and environmental impact (from January 1 to December 31 in 2020; manufacturing facilities in Japan, excluding outsourcing contractors)



*1 BOD: Biochemical Oxygen Demand An indicator of water pollution

*2 Emission factors for GHG calculation are as follows:

Fuel: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. CO₂ from Electricity consumption: The adjusted emission factors for each electric company specified by the Act on Promotion of Global Warming Countermeasures.

GHG other than CO₂: Factors specified by the Act on Promotion of Global Warming Countermeasures.

Suntory Beverage & Food Ltd. was named as a CDP Climate Change and Water Security 2020 A List Company

In the CDP*1 Climate Change 2020 and Water Security 2020 environmental activity survey conducted for public companies worldwide by the CDP*1, Suntory Beverage & Food Ltd. received high praise.

*1 International NPO that measures, publicizes, manages, and shares important environmental data of companies and cities.



Suntory Kyushu Kumamoto Plant Receives Alliance for Water Stewardship (AWS) Certification

The Kyushu Kumamoto Plant has received certification by the Alliance for Water Stewardship (AWS) with regard to its sustainable use of water in the basin around the plant. It is the second plant in Japan to obtain this certification after the Suntory Okudaisen Bunanomori Water Plant received the first certification in December 2018.

The Kyushu Kumamoto Plant is conducting forest protection activities under its Natural Water Sanctuary Aso project in the roughly 420ha of forests around the plant, which is the water resource cultivation area. We are also engaged in groundwater cultivation through "fuyumizutanbo*", which are inundated agricultural fields near the plant used in water resource cultivation, as an integral part of the Natural Water Sanctuary project. The AWS certification indicates approval of the Suntory Group's grasp of water intake and outgo in the basin around the plant, water resource cultivation based on scientific data, water conservation and water quality management at the plant, collaboration with other stakeholders in the basin, and suitable information release, in accordance with its Sustainable Water Philosophy.

*Fuyumizutanbo is a traditional agricultural method which entails the spreading out of the water over rice paddies during the winter when they fallow, with the goal being the formation of fertile soil and the reduction of weeds. Efficient groundwater cultivation is expected as the result of water penetration into the ground. At the Suntory Group, we have been conducting fuyumizutanbo activities in cooperation with the government and region in the town of Mashiki in Kamimashiki District, Kumamoto since 2010, in an effort to bring about more broad-ranging functionality of groundwater cultivation.



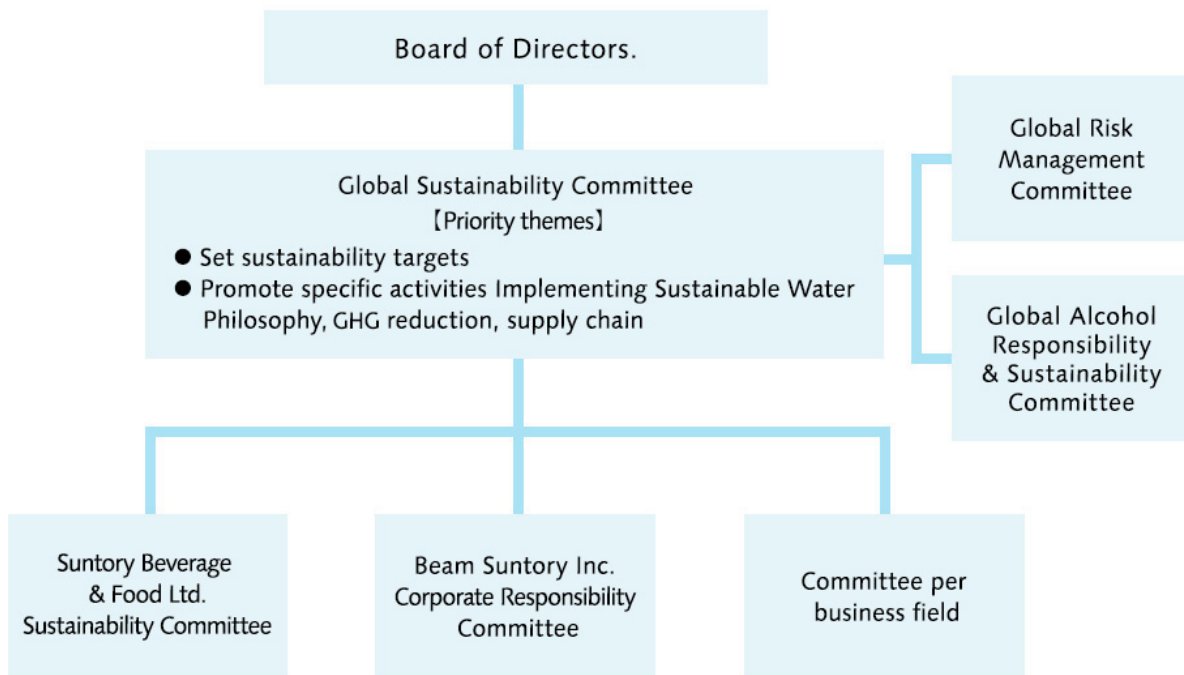
Environmental Management

Environmental Management

Environmental Management Promotion System

With the awareness that coexistence with nature is one of the most important issues facing all of humankind, back in 1991 the Suntory Group established the Environmental Department and Environment Committee. In 2010, Suntory Holdings Ltd. created the Environmental Sustainability Strategy Department, whose purpose is to ensure that business and ecology are promoted by the entire Group. The Division seeks to reinforce environmental management at Group companies based on the Basic Principles of Suntory's Environmental Policy. The Global Communication Committee established in April 2016 set the construction of a global environmental management system as an important theme in addition to strengthening environmental management at Group companies in Japan. The Global Communication Committee established the Sustainability Strategy Department, which evolved from the Environmental Sustainability Strategy Department, in April 2017 while restructuring the Sustainability Promotion Department, which promotes sustainable management, in April 2018. The Global Sustainability Committee works at formulating strategic plans and on important issues to promote sustainable management and checks progress. We strive toward making it so that all our corporate activities, including the business activities of the Suntory Group, contribute to the improvement of the sustainability of the overall value chain. Important themes related to sustainability management are discussed by the Global Sustainability Committee under the responsibility of the officer in charge (CSO), and are periodically overseen by the Board of Directors.

■Suntory Group's Environmental Management Promotion System



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 2020.

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

■ Initiatives at production sites

We have also successively advanced the acquisition of the ISO14001 certification since 1998 at production sites and have acquired the comprehensive certification as of today. We are deploying activity examples horizontally and taking both auditors and auditees to the next level by dispatching bilateral internal auditors while appointing auditors at each site as internal ISO14001 auditors. We are also progressing with the acquisition of certifications even at production plants of overseas Group companies.

■ Initiatives at Research and Development Sites

We have acquired the ISO14001 certification in 2007 even at research and development sites to accelerate environmentally-friendly initiatives from the research and development stage even further in order to strengthen environmental management throughout the entire value chain.

■ Initiatives at the Headquarters and Sales Offices

We have completed the acquisition of the ISO14001 certification at all headquarters and sales departments at Suntory Group companies in Japan. We are also building a PDCA system to reflect the Basic Principles of Suntory Group's Environmental Policy in the operational objectives of each department and periodically feedback the results of activities to top management.

■ Initiatives at Restaurant-related Group Companies

We are acquiring the ISO14001 integrated certification for the headquarters and all stores at restaurant-related Group companies who are increasing their number of establishments in Japan in an effort to save energy and water, reduce food loss, and enhance recycling.



ISO14001 screening

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, 2020)

(million yen)

Item			FY2018		FY2019		FY2020	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> Preventing water pollution Air pollution prevention cost, etc. 	528	2,207	348	2,151	735	2,082
	Global environmental preservation cost	<ul style="list-style-type: none"> GHG reduction Energy conservation Cogeneration Air treatment, etc. 	198	3,020	668	3,090	428	2,730
	Resource circulation cost	<ul style="list-style-type: none"> Conserving water through recirculation Reducing sludge Reusing waste Wastewater treatment cost, etc. 	287	2,720	331	3,246	153	3,413
	Total		1,013	7,946	1,347	8,486	1,315	8,225
Upstream and downstream cost	<ul style="list-style-type: none"> Commission for resource recycling containers and packaging Environmentally-friendly containers and packaging measures 	0	1,290	0	1,238	0	1,187	
Management activities costs	<ul style="list-style-type: none"> Building and maintaining Environmental Management System Sustainability Reports, Exhibits Factory greenification, etc. 	0	900	0	927	0	714	
Research and development costs	<ul style="list-style-type: none"> Research and development activities to reduce environmental impact 	8	379	28	300	9	324	
Social activities costs	<ul style="list-style-type: none"> Suntory Natural Water Sanctuary Bird Conservation Activities Suntory <i>Mizuiku</i> - Natural Water Education Program, etc. 	77	504	79	530	70	503	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,098	11,019	1,454	11,480	1,394	10,953

*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, 2020)

Item				Unit	2018	2019	2020	Reduction against previous fiscal year per unit production basis
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	16.4	16.8	10.4	6.1t/year
				Per Unit (g/kℓ)	3.4	3.5	2.2	
			NOx	Total (t)	147	152	152.3	-3.6t/year
				Per Unit (g/kℓ)	30.1	31.6	32.4	
	Preserving global environment	GHG emission reduction	GHG (Fuel + Electricity) Derivation	Total (thousand t)	355.9	350.5	343.7	-8.0 thousand t/year
				Per Unit (kg/kℓ)	73.0	71.2	72.9	
		Reduction of energy consumption	Fuel	Crude oil conversion (thousand kℓ)	102	103	104	-2,716 kℓ/year
				Per Unit (ℓ/kℓ)	20.9	21.5	22.1	
			Electricity	Total amount (million kWh)	335	341	340	-6,545 thousand kWh/year
				Per Unit (kWh/kℓ)	68.5	70.9	72.3	
	Resource circulation	Reduction of water resource use	Water use	Total amount (thousand m ³)	22,161	21,310	20,752	92 thousand m ³ /year
				Per Unit (m ³ /kℓ)	4.5	4.4	4.4	
		Reduction of waste emissions	By-products and waste emissions	Total (t)	257,951	251,454	228,355	17,626 t/year
				Per Unit (kg/kℓ)	52.7	52.3	48.6	
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	FY2018	FY2019	FY2020
Income from recycling (sales of byproducts)*1	355	359	305
Cost saved by conserving energy*2	429	-321	-242

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

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

Environmental Management

Suntory Group ISO 14001 Certification List (as of April 1st 2020)**Japan**

- Suntory Holdings Limited
- Suntory MONOZUKURI Expert 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 Beer Limited
- Suntory Beer Ltd. Tonegawa Brewery
- Suntory Beer Ltd. Musashino Brewery
- Suntory Beer Ltd. Kyoto Brewery
- Suntory Beer Ltd. Kyushu Kumamoto Plant
- Suntory Wine International Limited
- Suntory Wine International Ltd. Tominooka Winery
- Suntory Wine International Ltd. Shiojiri Winery
- SUNTORY CHITA DISTILLERY LIMITED
- Iwanohara Vineyard Co., Ltd.
- Suntory Malting LTD.
- OSUMISYUZO LIMITED

■ Sales and Marketing

- Suntory Liquors Limited
- OKINAWA SUNTORY LIMITED
- Suntory Foods Ltd.
- Suntory Beverage Solution Ltd.
- Suntory Beverage Service Ltd.
- Koshin Suntory Beverage Limited.
- ORIENTAL COMPANY LIMITED
- Suntory Foods Okinawa Ltd.
- Japan Beverage Holdings Inc.
- Japan Beverage Inc.
- Japan Beverage Ecology Inc.
- SUNLIVE COMPANY LIMITED

■ 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 Europe

- 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

FY2020 Targets, Results and Evaluation

FY2020 Targets, Results and Evaluation

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

Prioritized items	FY2020 target	FY2020 results	Evaluation
1.Environmental Management	- ISO14001: Maintain certification	- Operated and sustained the 2015 certification standards in the environmental management system	●●●
2.Water resource cultivation and water use reduction	- Zone forests in detail and create a 5-year and 10-year mid-term maintenance plan based on various survey results of Natural Water Sanctuaries. Establish a cooperative system with academics with experience, government and foresters to further promote water resource cultivation activities from multiple angles - Further enhance information dissemination related to water resource cultivation activities	- Clarified the forest we aim for in the future as a mid-term vision and established a maintenance plan, etc. for major Natural Water Sanctuaries - Increased reporting on activities and renewed the website to make content search easier	●●●
	- Further promote the reduction of water use in production activities	- Water consumption per unit of production*1 in Suntory Group*2 plants decreased by 17.0% compared to 2015	●●●
3.CO2 reduction	- Further promote the reduction of CO2 emission in the entire value chain	- Suntory Group*1 Scope 1/Scope 2 emissions*1 decreased 13.5% compared to 2019 - Used renewable energy in a scope compatible with our business activities	●●●
4.3R in containers and packaging	<p>●Reduce</p> <ul style="list-style-type: none"> - Further reduce the weight of PET bottles - Reduce the weight of glass bottles, paper containers, etc. - Reduce the weight of resin and paper labels and cardboards <p>●Reuse</p> <ul style="list-style-type: none"> - Maintain the system of returnable bottles <p>●Recycling</p> <ul style="list-style-type: none"> - Utilization of RePET Bottles - Promote the establishment of an efficient and effective container recycling system through participation in activities of recycling organization for each container and packaging materials 	- Collected and reused a total of 85 million returnable bottles - Continue utilization of RePET Bottles which use 100% reused PET resin through mechanical recycling	●●●
5.Reduction and Recycling of Waste	- Promoted a high-quality resource recycling that sustains a recycling rate of 100% at plants	- Maintained 100% resource recycling rate at plants	●●●
	- Achieved target of Food Recycling Law for each business	- Achieved target of Food Recycling Law for each business	●●●
6.Suntory Mizuiku-Education Program for Nature and Water	- Implement a one-day course in Outdoor School of Forest and Water as part of the Suntory Mizuiku - Education Program for Nature and Water which children and parents can participate. Total of approximately 1,930 participants are planned from Hakushu, Okudaisen and Aso Schools	- Outdoor School of Forest and Water held a total of 6times and 188 people participated	●
	- Implement a program linked to the subject with subject teachers with the theme of passing down water to the future in Teaching about Water at Schools. Approximately 16,700 participants are planned	- Teaching about Water at Schools held at total of 121schools and 9,451 people participated	●

*1 The group of companies of the Suntory Group in 2015 (including overseas companies)

*2 "Per unit of production" refers to the amount purchased, used, or emitted per the amount of one unit. The amount of one unit in production: products 1kℓ

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

FY2020 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	19,585
Training for newly appointed employees in charge of ISO14001	Employees in charge of ISO14001	16
Internal ISO14001 auditor training	Internal ISO14001 auditor	48
Eco-products seminar	Employees in charge of product development	56
Environmental Law Training	Employees from relevant departments	56
Wastes Disposal and Public Cleansing Act seminar	Employees from relevant departments	295

■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

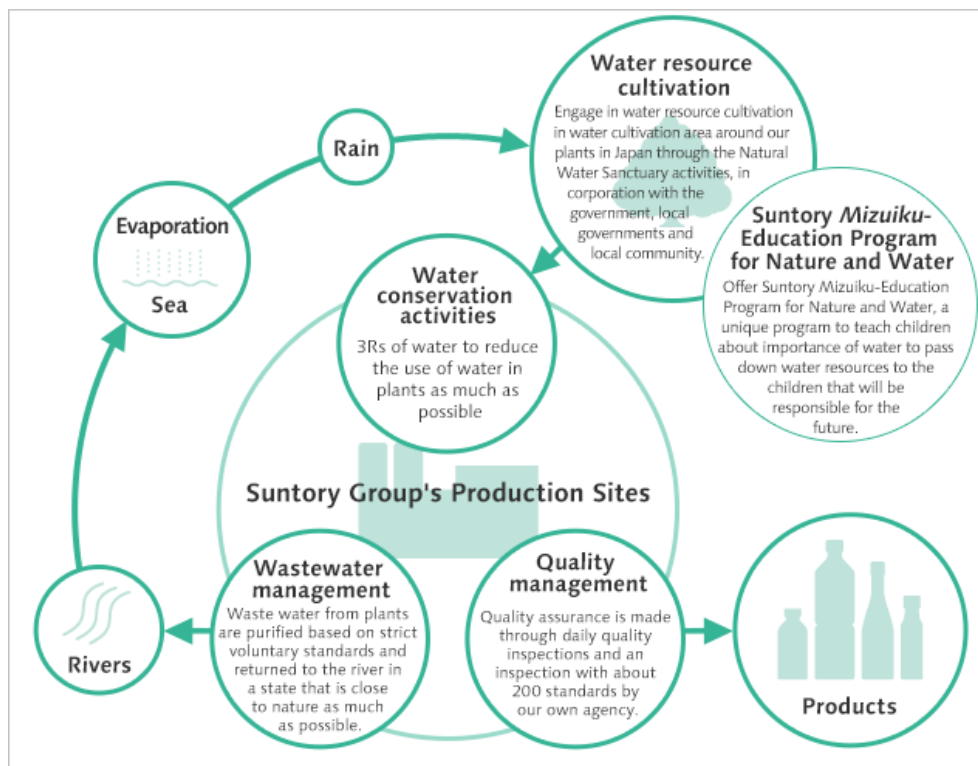
We are sharing basic environmental information, environmental laws and ordinances pertinent to our business, internal guidelines and other materials on the intranet. We are also raising awareness in our employees and encouraging action by including e-Learning as well as lending out DVDs related to environmental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



Assessing Water Risk



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

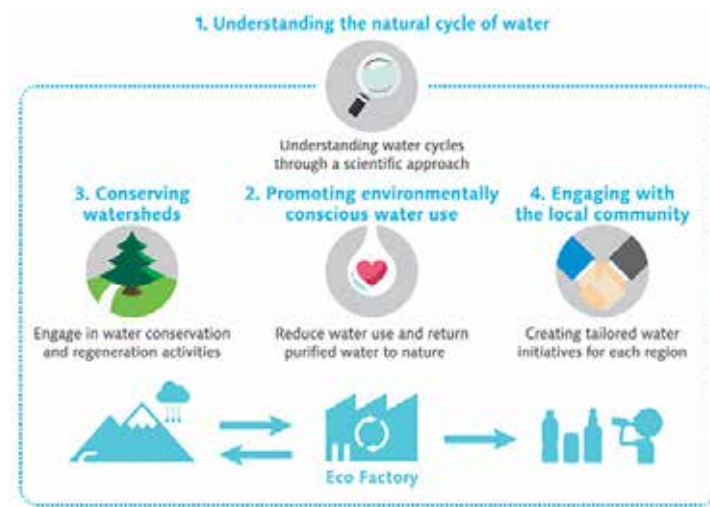


Water Sustainability

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.

Suntory signs cooperation agreement with "Alliance for Water Stewardship (AWS)"

Suntory Holdings Ltd. signed a cooperation agreement with "Alliance for Water Stewardship (AWS)" to take a leadership role in promoting water stewardship in Japan, and also became a member of the AWS in February 2021.

AWS is an international organization established jointly by NGOs, including the World Wildlife Fund (WWF), the Nature Conservancy (TNC) and government actors, in order to promote water sustainability around the world. Certification against the AWS Standard demonstrates that a company has met the AWS definition of good water management practices within a business site and effective collaboration with non-business stakeholders that the site shares a catchment with. Suntory Okudaisen Bunanomori Water Plant became the first in Japan to obtain AWS certification in 2018, and Kyushu Kumamoto Plant The has received certification by the Alliance for Water Stewardship (AWS) with regard to its sustainable use of water in the basin around the plant in 2019.



Water Sustainability

Assessing Water Risk

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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.

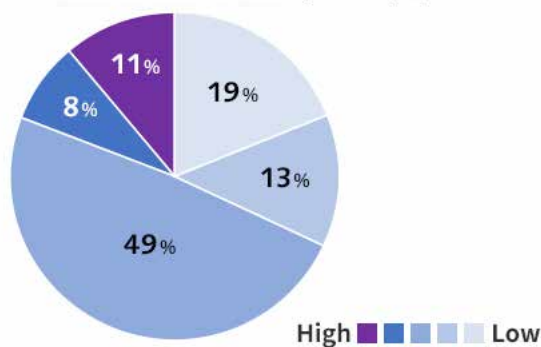
<https://www.wri.org/applications/aqueduct/country-rankings/>

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.

Water Risk Assessment of Suntory Plants (%)



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 15%*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 2020

Area	Water use (thousand m ³)	Change in the amount of usage per unit production from the base year 2015
Japan	20,752	-
Americas	6,911	-
Europe	5,454	-
Asia	6,380	-
Oceania	444	-
Africa	103	-
Total	40,044★	17.0% decrease

* Data covers 26 production plants in Japan and 64 production plants overseas

* Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 21,992 thousand m³★

* 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 26 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.



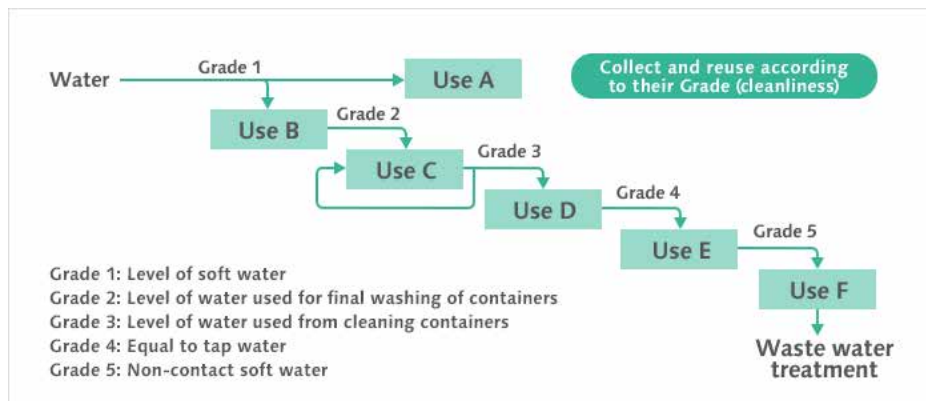
The Minami Alps Hakushu Water Plant of Suntory Products Ltd.



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 ³)		
	2018	2019	2020
Groundwater	20,620	18,687	17,752
Rivers/lakes	12,762	12,873	10,858
Rain water	1	0	0
City water	9,309	11,797	11,434
Water supplied from external sources (recycled water)	0	0	0
Total	42,692	43,357	40,044

* Data covers 26 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 ³)		
	2018	2019	2020
Rivers/lakes	15,732	14,481	13,611
Sea	153	1,061	967
Sewers	8,364	8,707	8,473
Others (for watering plants, etc.)	28	61	55
Total	24,277	24,310	23,106

*Data covers 26 production plants in Japan and 64 production plants overseas

*Therein, the waste water from Suntory Beverage & Food Ltd. plants in Japan and overseas amounts to 12,326 thousand m³



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

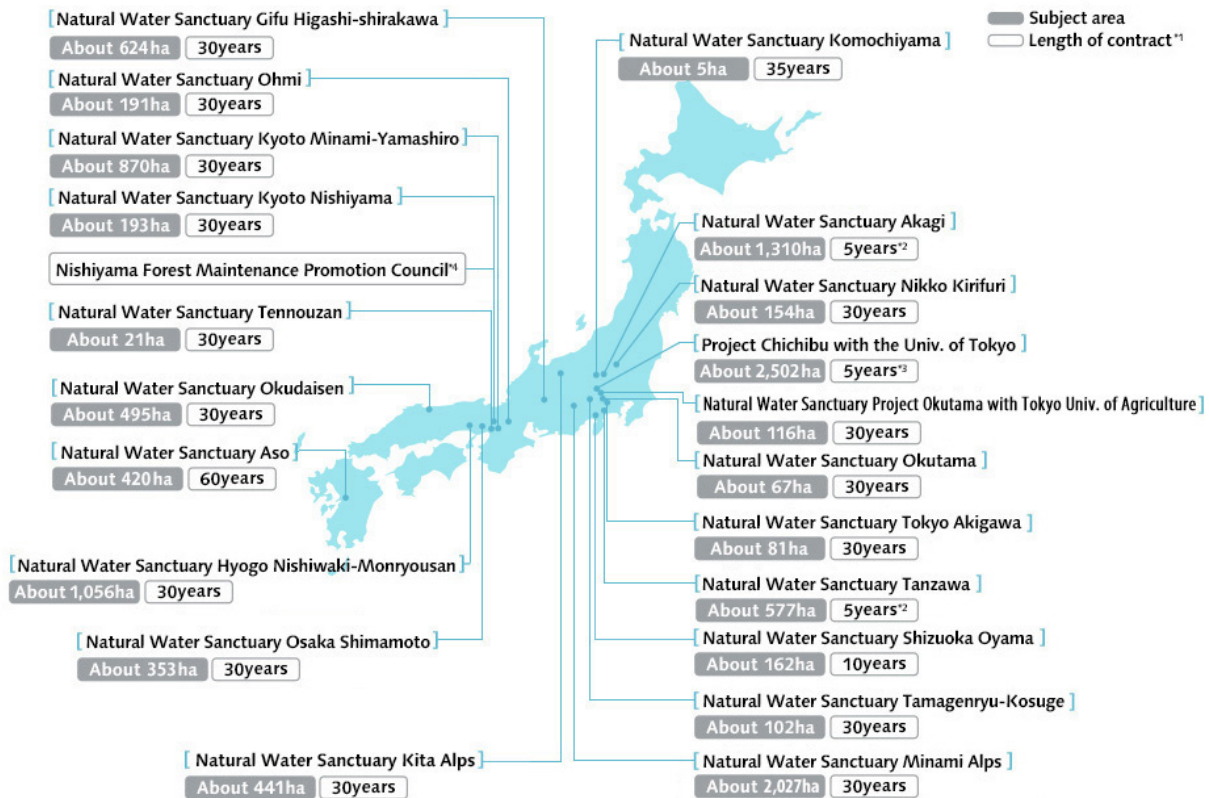


■<Natural Water Sanctuary> Development Targets

- (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 June 2021



*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.

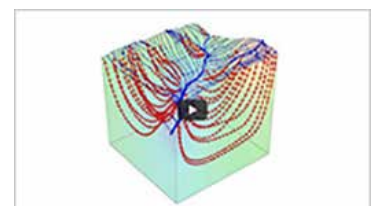
Looking at Groundwater – Comparing simulation models with results from field surveys

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.



Video: Groundwater Flow Simulation GETFLOWS (GEneral purpose Terrestrial fluid-FLOW Simulator) Model

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.



Video: Eagle and Hawk Chick Rearing Support Project

Becoming More Familiar with Natural Water Sanctuaries

■ Ikurinzai - 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 "Ikurinzai - 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.



Video: Ikurinzai - Timber From Cultivated Forests Project

■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

■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

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	- The 29th Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation (Total of ¥456.66 million from the 1st to 29th fund granting have been made to 366 organizations) - Relevant businesses certified under Japan Committee for the United Nations Decade on Biodiversity (UNDB-J)
2021	- The 32st Fund Granting Ceremony of the public trust, Suntory Fund for Bird Conservation (Total of ¥580.11 million from the 1st to 32st fund granting have been made to 451 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 32 years since becoming a charitable trust in 1990, the Foundation has granted total of ¥580.11 million to 451 organizations up to 2021, making great achievements. 2020 presentation ceremony has been canceled to avoid risk of covid-19. In 2021, the presentation ceremony was held online.



The 30th Fund Granting Ceremony of Public Trust Suntory Fund for Bird Conservation



The 32th Fund Granting Ceremony of Public Trust Suntory Fund for Bird Conservation online

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 18th year in 2021. 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.

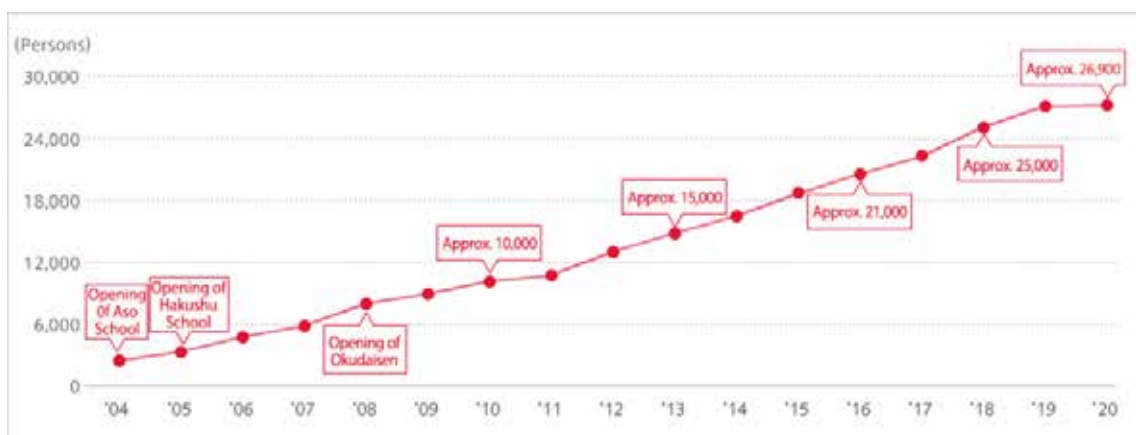
*Sponsor: Ministry of the Environment, Ministry of Education, Culture, Sports, Science and Technology, etc.

■ 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 26,900 students and their parents took part in the program since it began in 2004 through 2020. 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 (total of three schools)

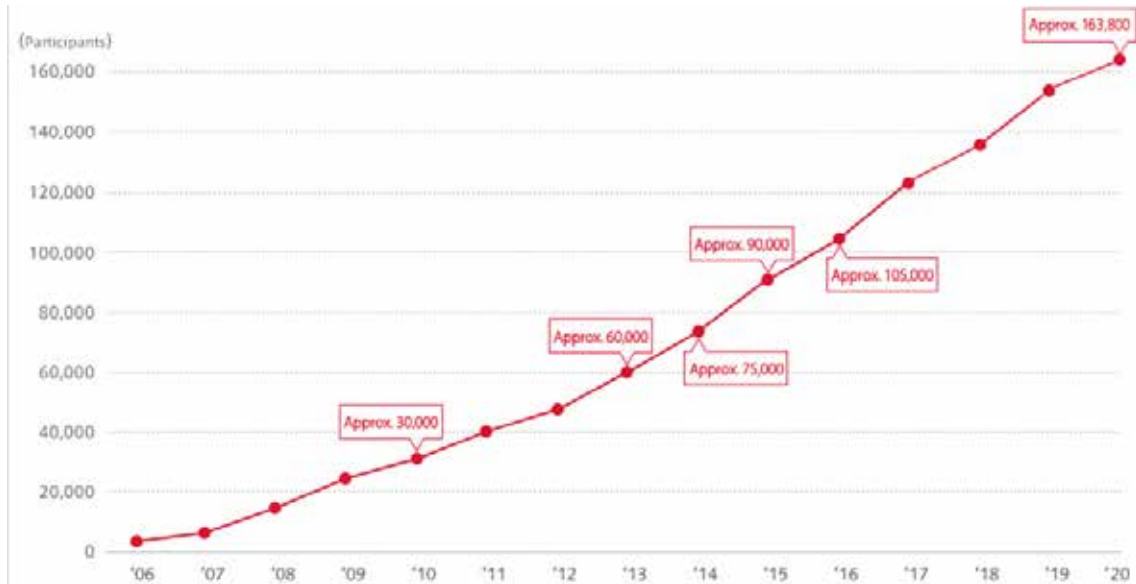


Outdoor School of Forest and Water

■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 163,800 at approximately 2,100 schools as of 2020. 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 Provinces. As of the end of 2020, approximately 38,000 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. Approximately 4,000 children have participated in the program as of the end of 2020. It is an original nature experience 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) and Jakarta (the capital city) participate in the program. Approximately 8,000 children have participated in the program as of the end of 2020.

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

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.



■ 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 for 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



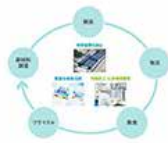
Climate Change Measures

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



Initiatives in Distribution



Energy Conservation in Vending Machines



Initiatives in Sales, R&D, Offices, etc.



Green Procurement and Purchase



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 reduce 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.

2020 Results

With the globalization of business, we are advancing to identify the results in each area.

■ Scope 1/Scope 2 emissions

Area	GHG emissions (thousand tons)	The change in the amount of emissions from the base year 2019
Japan	417	-
Americas	168	-
Europe	97	-
Asia	177	-
Oceania	13	-
Africa	5	-
Total	877(Scope1 : 554 ; Scope2 : 324)	13.5% reduction

* 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 877 thousand tons listed above, Scope 1 and 2 emissions from 26 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 853 thousand tons ★ (Scope 1: 531 thousand tons ★, Scope 2: 321 thousand tons ★).

* Among the 877 thousand tons listed above, GHG emissions from the Suntory Beverage & Food Group are 484 thousand tons. Among the 484 thousand tons, Scope 1 and 2 emissions from 9 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 460 thousand tons★ (Scope 1 : 222 thousand tons★ ; Scope 2 : 238 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 CO₂:

For 26 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.

* The above emissions do not take into account the emissions offset by purchasing carbon credits. If the offset emissions which are approximately 110 thousand tons, are taken into account, the total of Scope 1 and 2 emissions will be 764 thousand tons in 2020. (Carbon credits we purchased were generated from projects, such as a project facilitating reforestation for Guangxi watershed management in Pearl River Basin supported by the Bio Carbon Fund of the World Bank.)

■ Scope 3 Emissions

Suntory Group

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	3,958★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the food and liquor businesses of the Suntory Group (in Japan and overseas) by the emission factor. 40% of entire GHG emissions of this category are calculated by using emission factors based on actual suppliers' GHG emissions equivalent to those purchased goods. [Subcontractors] Calculated by multiplying the production volume sold by the Suntory Group (in Japan) by the emission factor.
2. Capital Goods	309	Calculated by multiplying the amount of capital expenditure by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	114	Calculated by multiplying the amount of energy consumed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
4. Upstream transportation and distribution	236	Calculated by multiplying the transportation volume in tons-km of goods owned by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
5. Waste generated in operations	12	Calculated by multiplying the weight of waste disposed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
6. Business travel	3	Calculated by multiplying the amount of business travel expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
7. Employee commuting	15	Calculated by multiplying the amount of commuting expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
8. Upstream leased assets	10	Calculated by multiplying the floor area of distribution centers rented by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
9. Downstream transportation and distribution	211	Calculated by multiplying the transportation volume and sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
10. Processing of sold products	0	None
11. Use of sold products	43	Calculated by multiplying the sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
12. End-of-life treatment of sold products	286	Calculated by multiplying the weight of packaging materials for products sold by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
13. Downstream leased assets	511	Calculated by multiplying the amount of electricity used by vending machines leased by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
14. Franchises	0	None
15. Investments	0	None
Total	5707	

* Data for the food and liquor businesses 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	2,804★	[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 factor. 31% of entire GHG emissions of this category are calculated by using emission factors based on actual suppliers' GHG emissions equivalent to those purchased goods. [Subcontractors] Calculated by multiplying the production volume sold by the Suntory Beverage & Food Group (in Japan) by the emission factor.
2. Capital Goods	186	Calculated by multiplying the amount of capital expenditure of Suntory Beverage & Food (in Japan and overseas) by emissions factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	62	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
4. Upstream transportation and distribution	162	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
5. Waste generated in operations	6	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
6. Business travel	2	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
7. Employee commuting	11	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
8. Upstream leased assets	8	Calculated by multiplying the floor area of distribution centers rented by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
9. Downstream transportation and distribution	175	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
10. Processing of sold products	0	None
11. Use of sold products	36	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emission factors.
12. End-of-life treatment of sold products	261	Calculated by multiplying the weight of packaging materials for products sold by of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
13. Downstream leased assets	475	Calculated by multiplying the amount of electricity used by vending machines leased by of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
14. Franchises	0	None
15. Investments	0	None
Total	4187	

* 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 with efforts that include the free provision of posters and leaflets (total of 13.9million copies distributed as of June 2021) 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*1.

*1 The Ministry of Health, Labour, and Welfare recommends 40-80mg of sodium per 100ml as a countermeasure to heat exhaustion.

Preventing Global Warming

Initiatives in Production

Reducing GHG through Energy-saving and Use of Renewable Energy

We are committed to energy efficiency at Suntory Group plants through production activities harmonized with the environment. Making records of and managing the operational status centrally is useful for employing energy efficient activities in the production process. Furthermore, we are working to combat global warming from a variety of angles, including by switching to low Green House Gas(GHG) emitting fuels and by using renewable energy.

Activities being carried out at plants are shared at regularly-held engineer meetings to expand horizontally.

■ Reductions Made by Introducing Cogeneration Systems

We are utilizing cogeneration system (combined heat and power) in our production activities. This system recovers heat generated from in-house generation and uses it as part of a heat source for preparing beer and extraction of coffee and tea, which increases energy efficiency to 70-80% and reduce GHG emissions by 20-30%. As of May 2021, the system is introduced at three plants in Japan. These are the Haruna Plant of Suntory Products Ltd, and the "Natural Water Beer Plant" Tonegawa Brewery in Gunma Prefecture and Kyoto Brewery of Suntory Beer Ltd.



Cogeneration system at Tonegawa Brewery

■ Switching to Fuels Low in GHG Emissions

In January 2021, OSUMISYUZO LIMITED replaced its once-through boilers and LNG (liquefied natural gas) facility, switching from heavy oil to LNG as the plant's fuel. By switching fuels and improving the efficiency of the equipment, the plant will be able to reduce its GHG emissions by about 25%.

Most factories have completed the conversion from using heavy oil to city gas and LNG (liquefied natural gas). These gas fuels have fewer GHG emissions per unit of heat and they contain almost no sulfur.



Once-through Boilers and LNG facility at OSUMISYUZO LIMITED

Energy-saving Activities in Accordance with Increase in Production Capability - Suntory Beer Ltd.

Tonegawa Brewery of Suntory Beer Ltd. 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.



New cauldron in Tonegawa Brewery of Suntory Beer Ltd.

■Energy-saving Activities at Overseas Production Sites

We are promoting energy-saving activities based on our know-how and technology in Japan even at overseas plants of the Suntory Group.

Energy-saving Activities at a Tequila Plant in Mexico

We have introduced energy-saving activities to the Sauza Plant in Mexico, which uses a lot of fuel, based on our knowledge and technology in Japan. 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. 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 once-through boilers at the Beam Suntory Sauza Plant in Mexico

■Promoting the Use of Renewable Energy

We have been increasing the use of various kinds of renewable energy at our plants, including the use of solar power, snow ice, biomass and micro-hydro power.

Use of Photovoltaic Energy

The Minami Alps Hakushu Water Plant of Suntory Products Ltd. is installed with the largest photovoltaic panels in the beverages industry, capable of generating approximately 490kW of electricity. They provide some of the plant's power, and make it possible for us to reduce our GHG emissions by approximately 205 tons per year compared to when we buy electricity from a power company.

In addition, The Minami Alps Hakushu Water Plant and Hakushu Distillery introduced lithium-ion battery equipped electric buses for the first time in private company for factory visits in 2011, using electricity generated from photovoltaic power generation at the Hakushu Plant.

Solar power generation equipment has been installed on some of the roofs and premises by Solar Frontier K.K. and the Development Bank of Japan, Inc. at the Suntory Products Ltd. Haruna Plant and Suntory Beer's Kumamoto Aso Brewery. The two plants generate a combined output of approximately 3.2 MW, which is an equivalent to the yearly power for roughly 660 households. This is estimated to have a GHG reduction effect of approximately 1,900 tons.



Largest scale photovoltaic panels in the beverage industry



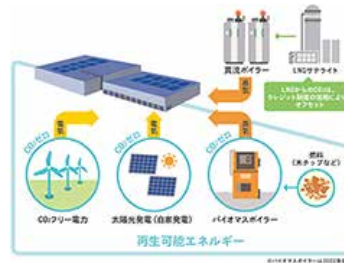
New lithium-ion battery equipped electric bus

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 solar power generation facility and boilers which use biomass fuel as well as electric power procurement derived from renewable energy. In overseas, four plants including the Donnelly Plant in France achieved zero net-zero CO2 Emissions using offset. With the Fred B. Noe Craft Distillery in the US planned to start operation in 2021, manufacturing and research sites are switching to the use of 100% renewable energy.



Suntory Tennensui Kita-Alps
Shinano-no-mori plant



CO2 emissions
Plant Energy Supply Scheme

Use of Snow and Ice Thermal Energy

For the use of snow and ice thermal energy, 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, using natural energy in winemaking. Following the tradition, snow room was rebuilt in 2005 and is being used to cool wine-aging warehouse.

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.



Snow room at Okudaisen
Bunanomori Water Plant of Suntory
Products Ltd.

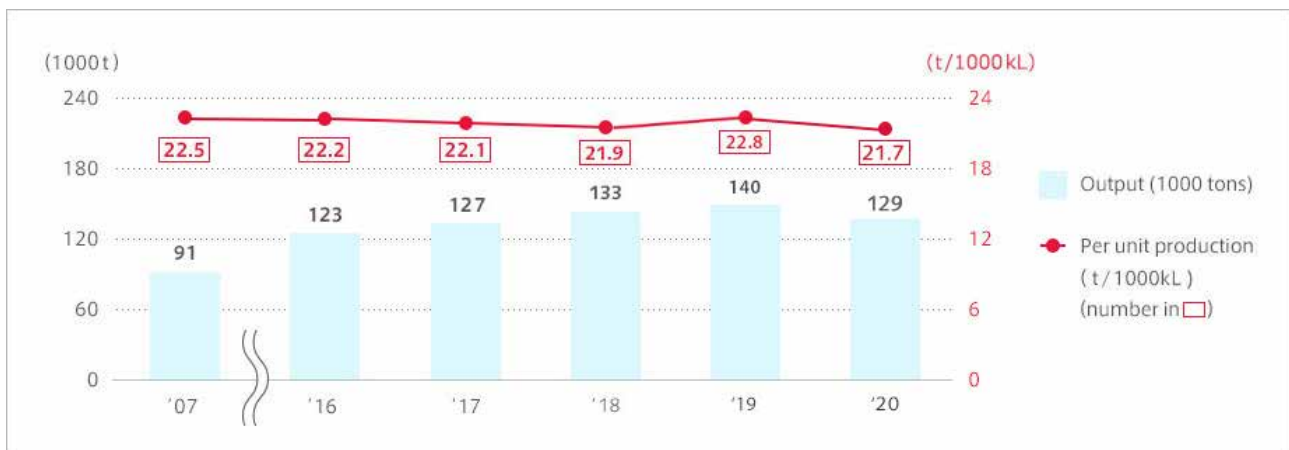
Preventing Global Warming

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 2020 sales quantity increase was 97% compared to Green House Gas(GHG) emissions which decreased 8%≒129,000 tons, and the basic unit was 21.7 (GHG emissions / 1,000KL sales quantity).

■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 2020, the modal shift rate was 63.9%, 58.4% of which was sea transport and 5.5% of which was rail transport. In the future, we will also steadily promote modal shifts for summer heat waves.

■ Changes in modal shift ratio



* Changes in the modal shift ratio are calculated based on long-haul (500km or more) trips

Suntory Liquors Ltd.*¹ has been certified as 1st Eco Ship Mark*² 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.

*¹ Currently Suntory Spirits Ltd. and Suntory Beer Ltd.

*² 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[®] 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 FY2020) have acquired certifications, such as the ISO14001 (55 sites) and Eco Stage (141 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

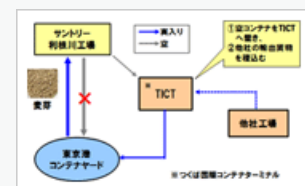
We are promoting distribution through cooperation with other companies such as joint distribution and joint use of containers as transportation measures that will lower the environmental impact.

Participating Companies	Coordination	Description	Starting Period	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 beer companies	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 beer companies	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 beer companies	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. We have been conducting an initiative to handle export goods by jointly using the containers that we use with other companies within the country based on this belief in February 2011. 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

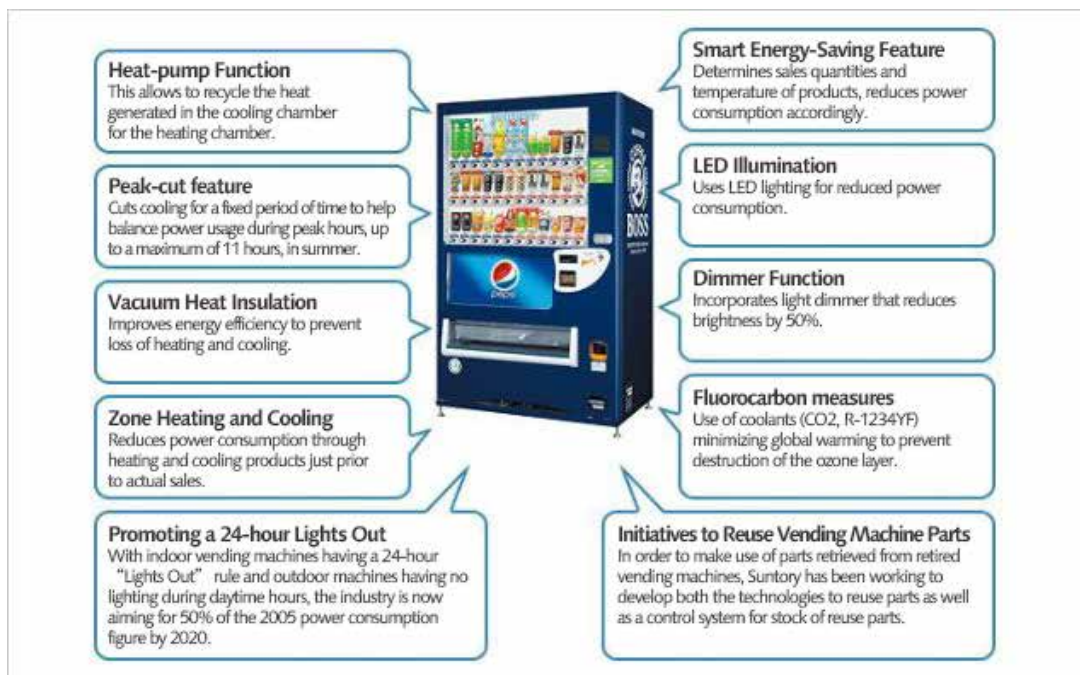
Preventing Global Warming

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*¹ with heat-pump equipment, the ratio of heat-pump vending machines against all Suntory vending machines was 85% in the end of 2020

In 2013, "Mahou VIN Vending Machines"*² 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?

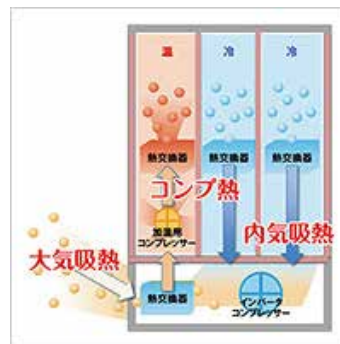
In Japan, a heat-pump vending machine is a vending machine with a built in system to collect heat generated by the cooling chamber for the heating chamber. These vending machines largely contribute to energy saving through function to effectively use heat inside the vending machine and latest machine can even exchange heat with the atmosphere.

■Introducing Extremely-Energy-Saving Vending Machines

In April 2014, we began adopting "Extremely-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.



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■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 use a refrigerant with a low global warming coefficient such as natural refrigerants and R-1234yf.

■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 2020, the reuse rate of parts that required repair or maintenance was 59%. 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. 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 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 2020 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

Preventing Global Warming

Initiatives in Sales, R&D, Offices, etc.

Environmental Activities in Sales Divisions

■ Reducing Environmental Impact of Sales Vehicles

We are promoting introduction of hybrid vehicles and other energy-saving vehicles for use in sales activities. In addition, we have introduced vehicle traffic control system that acquire travel 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 by Introducing Wireless Systems

Suntory Beverage Service Ltd., which includes secondary products for soft drink vending machines to expand the vending machine operations each day, introduced wireless systems to vending machines operating throughout Japan in 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. We have reduced the number of visits to vending machines through the use of this wireless system, which has connected to reducing environmental impact by decreasing power lost when opening and shutting vending machines when conducting operations such as refilling products.

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, the site acquired comprehensive certification from an external certification agency to operate under the ISO14001 throughout the entire Group to strengthen coordination with other divisions as a Research & Technology Development Division that has strong connection with the Group's entire value chain. 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*¹ 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)*². The furniture and construction materials also utilize Ikurinzaï - timber from cultivated forests*³ 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

The Pronto Corporation is promoting environmental management through a variety of environmental initiatives, including the Pronto Love Green activity that donates a portion of the revenue from menus and the total amount of in-store donations to environmental greening, the adoption of glasses to use in stores made from recycled bottles of Kakubin Whisky, the provision of a choice menu of domestic ingredients that give diners a taste of the local bounty, reduction of food waste as well as the adoption of energy saving equipment. Furthermore, Pronto Corporation satisfied the certification criteria for the first restaurant eco mark in Japan as a certification program for restaurants created by the Eco Mark Office in 2017 and earned the right to use the eco mark for chain restaurants.

The “Pronto Love Green” program, which has been ongoing since 2008, has been awarded the Minister of Agriculture, Forestry and Fisheries' Certificate of Appreciation three times, and the total amount of donations has reached over 100 million yen.

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 photovoltaic power generation, 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.



Solar power generation system of the Odaiba office

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

When actually purchasing an item, we promote Green Purchase based on the Green Purchase Guideline which sets standards for determining whether it's a Green Purchase with the goal of making more Green Purchases than in the previous year. We also implement online purchasing system that registers a standard Green Qualified Items and deploying it to Group companies. Furthermore, we uses work uniforms made using fibers from recycled PET bottles according to seasons in production plants.

Climate Change Measures

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 declared its approval of Task Force on Climate-Related Financial Disclosures (TCFD) recommendations in May 2019. The TCFD was established by the Financial Stability Board (FSB).



In addition, we established the Suntory Group's 7 Sustainability Themes in July 2019 as future initiatives with the reduction of Green House Gas(GHG) emissions serving as an important theme among them.

Making the promise of "Mizu To Ikiru", literally "living with water", to society, along with grasping water supply risks due to climate change and conducting appropriate water conservation and discharge management, we will evaluate all the watersheds that surround our sites and, together with our stakeholders, promote initiatives for water sustainability. 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.

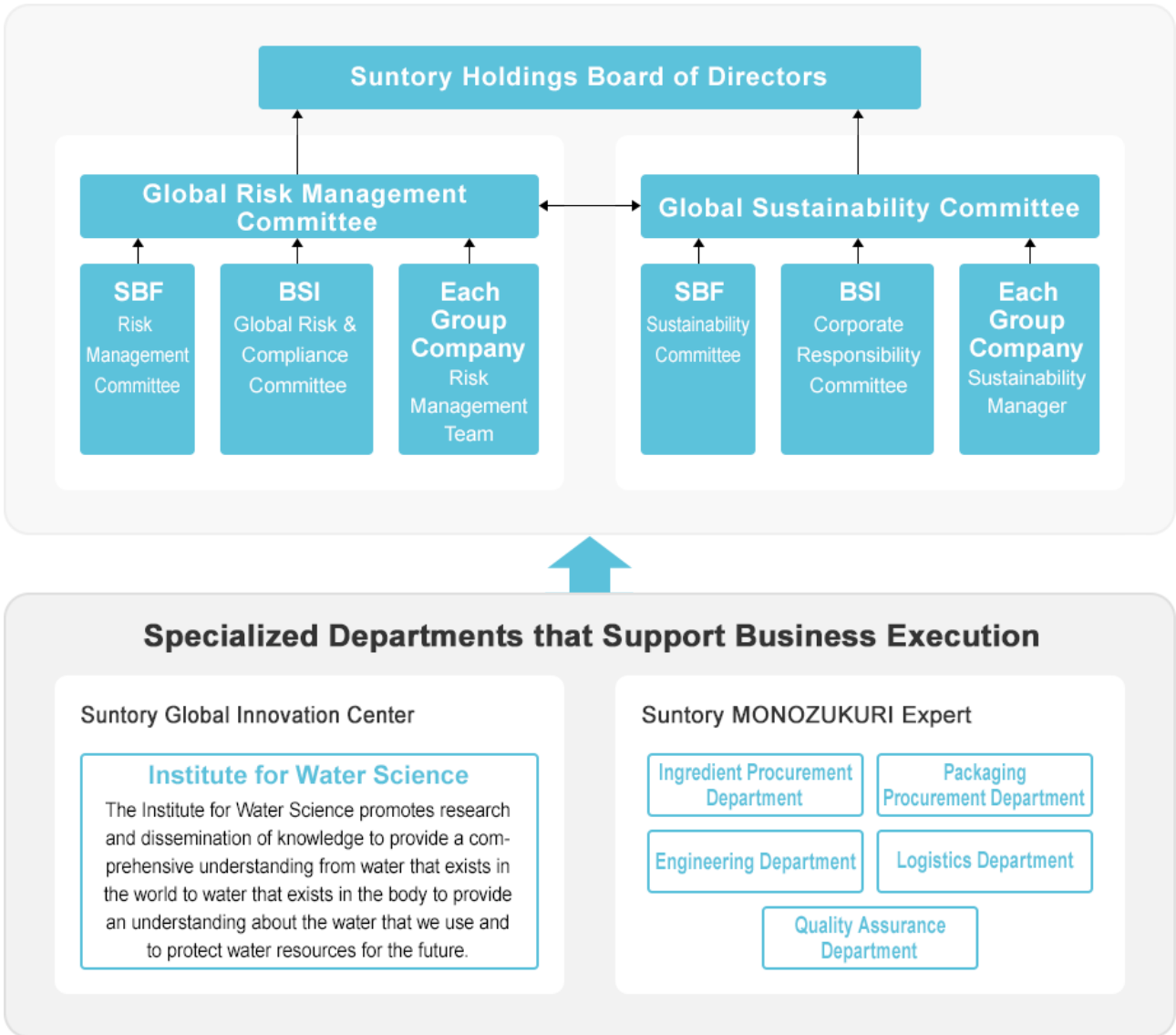
1. Governance

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, etc. 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 always working together. Important matters to be decided are further discussed by the Board of Directors.

■ 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 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.

Starting with research of forests that nurture groundwater and water itself, the Institute for Water Science conducts, based on hydrology, research such as water resource research in Japan and overseas as well as research related to health and customer tastes involving water as a multi-faceted food and beverage company. It promotes research and dissemination of knowledge to provide a comprehensive understanding from water that exists in the world" to water that exists in the body.

■ Research Content

Forest hydrology

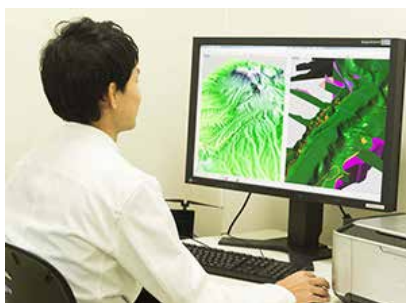
Suntory is broadening its Natural Water Sanctuary activities with the objective of cultivating more groundwater that is used by our plants by expanding forest areas. However, the types of management methods that will lead to healthy forests with high groundwater recharge have not yet been scientifically clarified. The Institute for Water Science collaborates with researchers working in various fields including hydrology, soil science, and botany to establish optimal forest management methods and science in forests with different environments through an individual-based trial and error process and conducts scientific verifications. 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 has become deeply involved in global water issues. 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 risks and transition risks due to climate change, we are proceeding with physical risk directed initiatives this year, among which we will start to consider water supply risks and stable procurement of raw materials, which are said to have a large impact on the food sector.

Water Supply Risks

Water is the most important ingredient of our products, as well as a precious shared resource, it is imperative for the Suntory Group to understand the impact that water risk has on our business, local communities, and the ecosystem based on water risk assessment for sustained business growth.

Based on this, the Suntory Group conducted a risk assessment of water sustainability at its own plants*.

(*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.)

Water Risk Assessment Process

■Preliminary Assessment — Screening of sites for detailed risk assessment

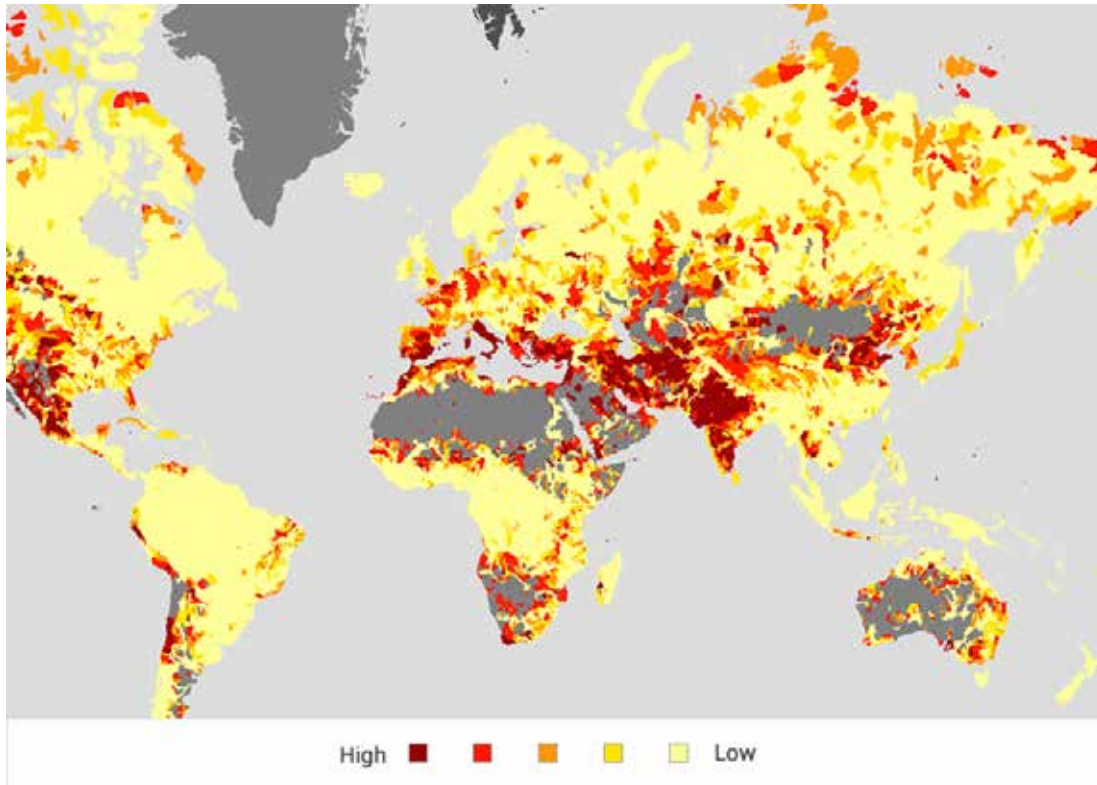
During the preliminary assessment, screening was conducted through uniform risk assessment at all Group sites from the two perspectives: ① The possibility that water resources used by a given plant will be depleted, and ② the magnitude of the impact of environmental changes caused by water use at plants.

① Possibility that water resources used by a given plant will be depleted

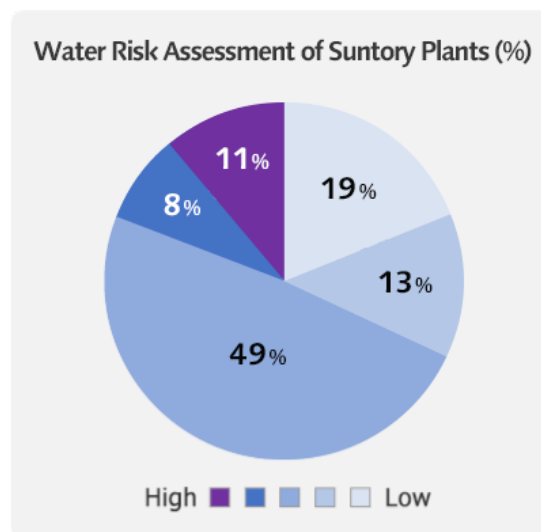
For the risk assessment, we used the Baseline Water Stress country score, developed as part of World Resources Institute's Aqueduct Water Risk Atlas, as an index that can evaluate sites around the world in common at the global level, to identify countries with high water stress from the countries where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

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.

Layered by Aqueduct Baseline Water Stress Index Score



Source : World Resources Institute "Aqueduct Project"



② Magnitude of the impact of environmental changes caused by water use at plants

Furthermore, we classified the water used at plants as either natural water (surface water or groundwater) or water supplied by the municipality. Municipal water is supplied through the local waterworks bureau and its use is fee based. Generally, the range of municipal water resources is wide so that they can be shared with more users. As the management is mainly done by waterworks bureaus, we must coordinate with the local waterworks bureau and coexist with the local communities. However, when natural water (surface water or groundwater) is used, the range of water sources is narrower than that of municipal water and more affected by environmental changes such as climate variability. As its management is mainly done by Suntory, it is necessary to prioritize efforts at highly water-stressed plant that use natural water (surface water or groundwater).

■ Secondary Assessment — Individual site assessment

Sites that passed the screening in the preliminary assessment were assessed individually from two perspectives: ① Water management provisions for water intake, ② water management provisions for water conservation. Since each plant faces different water-related conditions in their respective area, it is necessary to consider measures that correspond with local conditions.

Water Management

Since it is necessary to deal with water properly in order to fulfill our responsibility of water use, which is a precious shared resource, we will evaluate the following two points.

① Water management for water intake

Promotion of activities to use water properly (to not take in too much water)

Note : For plants that use municipal water, the local waterworks bureau manages all water intake management. Therefore, those plants are not evaluated.

② Water management for water conservation

Ability to prove that water is being used properly (that water is not being wasted)

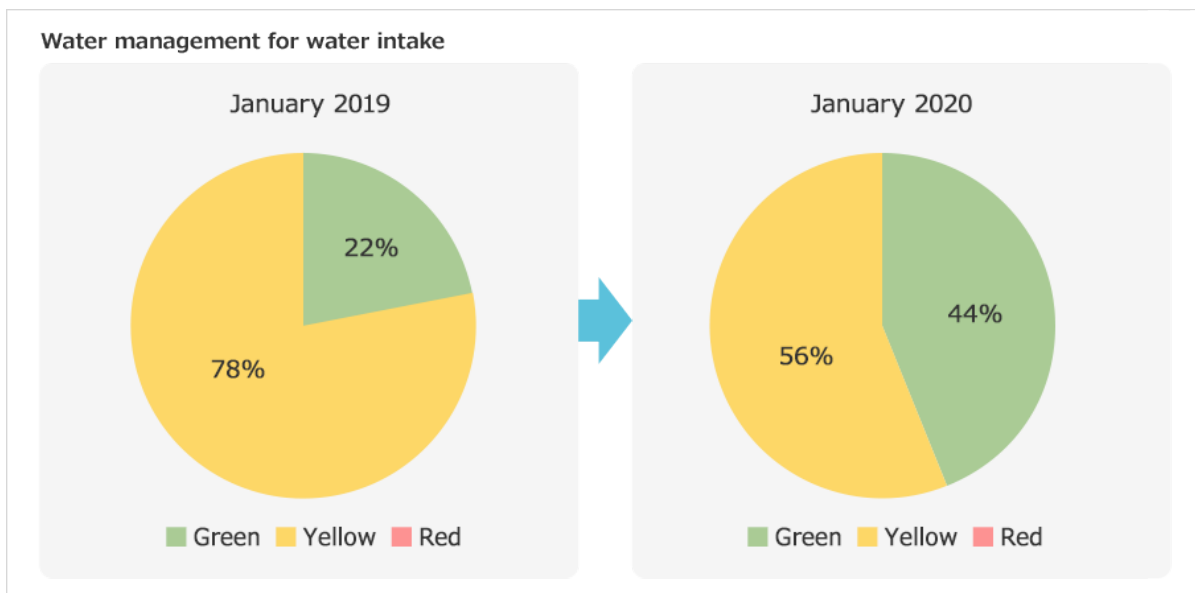
Note : For plants that use municipal water, the local waterworks bureau manages all water intake management. Therefore, those plants are not evaluated.

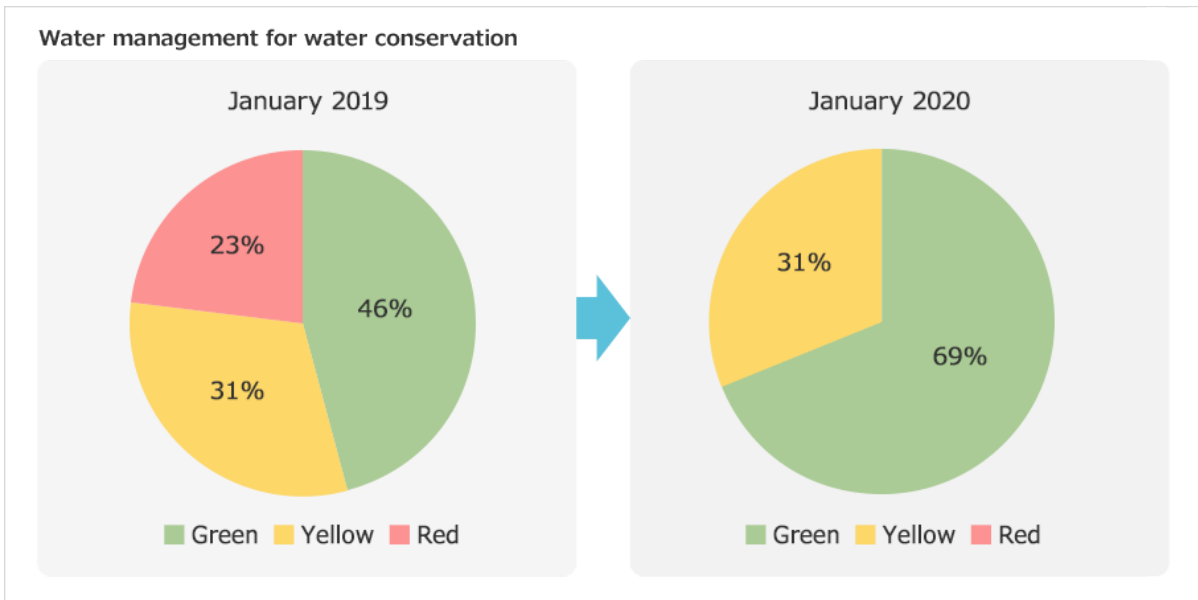
Water Management (water intake) - Avoid taking in too much water -	Water Management (water conservation) - Avoid using incessive water -
<ul style="list-style-type: none"> ● Ability to show using data that water intake has no impact on the local environment. ● Required data compiled for proof. 	<ul style="list-style-type: none"> ● Targets established in order to use water efficiently. ● Conduct activities to achieve targets. ● Targets are achieved
Water intake data is not being managed → Red	No medium-term target for water consumption per unit of production established → Red
Management of water intake data is insufficient → Yellow	No short-term target for water consumption per unit of production established/achieved → Yellow
Water intake data is being managed and water intake is being handled properly → Green	Target for water consumption per unit of production achieved → Green

Results of the Secondary Assessment

In the examination conducted in January 2019, among the plants subject to the secondary assessment, 22% of the plants were evaluated as "Green" and 78% were evaluated as "Yellow" for water intake management. For water conservation management, 46% of the plants evaluated were rated "Green," 31% were rated "Yellow," and 23% were rated "Red."

After visualizing risks, those risks were defined and suggestions for solutions were made, resulting in the rapid implementation of an action plan designed to decrease risks. In the examination conducted in January 2020, 44% of the plants were evaluated as "Green" and 56% were evaluated as "Yellow" for water intake management. For water conservation management, 69% of the plants evaluated were rated "Green," 31% were rated "Yellow," and 0% were rated "Red," which showed a large improvement.





Using the same process, we will continue improvement efforts giving priority to high-risk areas.

Other initiatives related to water resource protection

< Japan-based Initiatives >

- Suntory Natural Water Sanctuary Activities
- "Mizu To Ikiru" - Education Program for Nature and Water
- AWS Certification

< Overseas-based Initiatives >

- Natural Water Sanctuary
- Global Level Suntory *Mizuiku* - Education Program for Nature and Water

Stable Procurement of raw materials

We conducted scenario analysis for climate change according to the recommendations of the TCFD, learned about the possibility that climate change will have a significant impact on the crops that are ingredients important to the Suntory Group, and will move forward with considering measures in the future.

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)

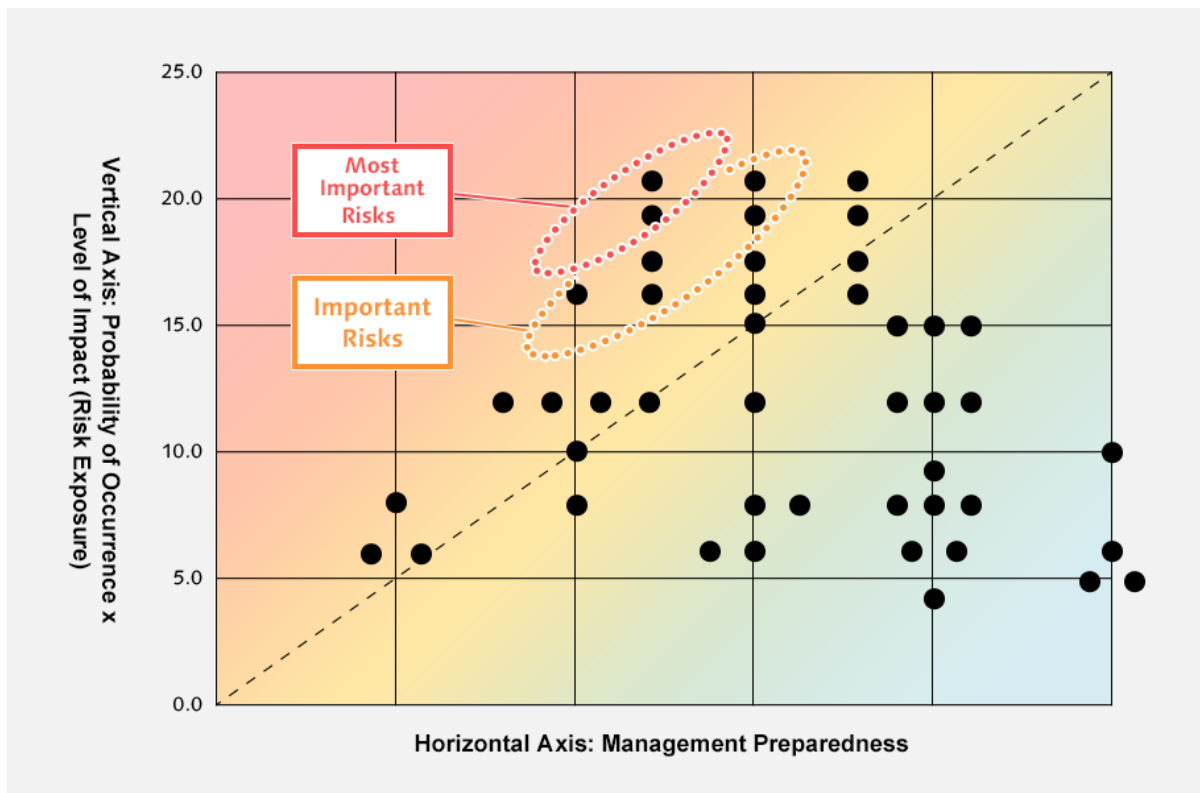
Score	Level	Quantitative Criteria	Qualitative Criteria*			
		Impact on Company in Terms of Sales*	Business (including human resources and technology)	Compliance (Legal/regulatory impact)	Reputation	Strategy (Impact on customers/ brand/ market)
1	Minimal Impact	Less than 1% of sales	Examples of Factors to Consider <ul style="list-style-type: none"> · Disruption of each operating unit · Response to customers · Disruption of operations on a company level 	Examples of Factors to Consider <ul style="list-style-type: none"> · Prosecution or investigation · Fine or investigation · legal liability 	Examples of Factors to Consider <ul style="list-style-type: none"> · Mass media reports · Stakeholder trust 	Examples of Factors to Consider <ul style="list-style-type: none"> · Delay in achieving strategic goals · Impact on customer base and time required to restore it · Impact on brand and market
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				

* Will have an impact on sales for the entire Group when it is a Group company that controls multiple companies.

* In not suitable for assessment using quantitative criteria, use qualitative criteria.

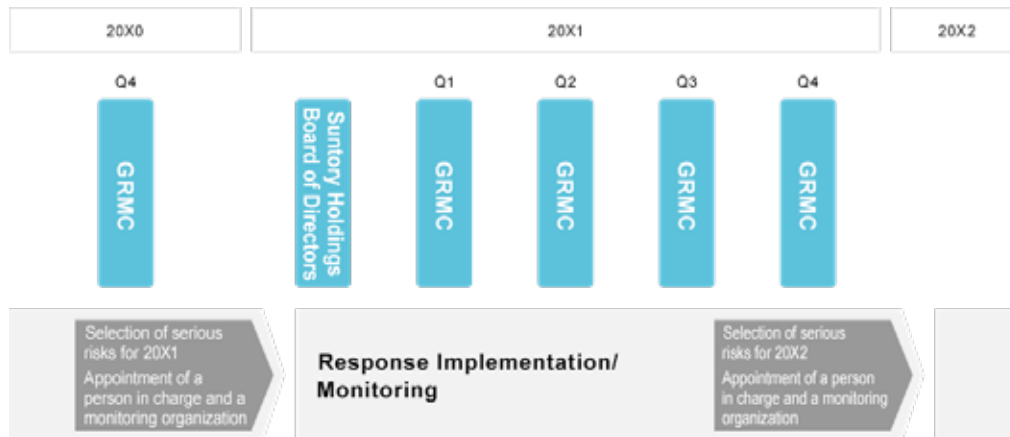
Response Level Assessment Criteria (for reference)

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 Reduction per unit production based on the business fields in 2015

* Based on emissions in 2019.

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

Promoting the Reduction and
Recycling of Waste



Preventing Pollution and
Management of Chemical
Substances



Climate Change Measures

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 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 newly established 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 the 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.

■ Awareness Raising Activities for Plastic

Suntory Group uses PET bottles extensively in its business activities. As such, we have been raising awareness towards recycling, together with our various stakeholders, to realize a sustainable society. In Japan, considering the next-generation, we entered into a partnership with the Waseda University on realizing recycling-oriented society in 2021. We not only promote separation of waste for recycling across Group companies, departments, or individual employees, but also raise awareness towards ocean plastics through employee volunteer activities. Such social contribution activities include the Beach Cleanup Activity sponsored by a non-profit organization in Japan and cleanup activities in the Chicago River basin overseas which Beam Suntory employees participate.

3R in Containers and Packaging



Climate Change Measures

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 designs that take into account usability from the point of consumption by the customer to recycling, and focus on designs that are lighter as well as use materials that have a lower impact on the environment and are easier to recycle. We also work in collaboration with various recycling organizations and local governments to promote recycling.

■ Policy on 3Rs of Containers and Packaging

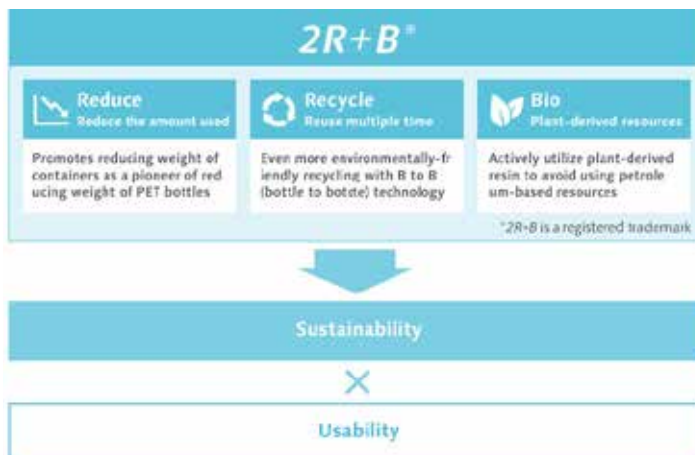


Initiatives in Plastic Bottles

We are dramatically decreasing the amount of resources that we use and are actively introducing renewable resources as a measure to limit the environmental impact as much as possible. At the same time, we are conducting design and development while also taking into account the usability by 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 make thoroughly efficient use of resources by reducing the amount of resins used, and by using recycled materials, while replacing petroleum-based raw materials with bio-based raw materials as much as possible in the development.



■Reduce: Lightweighting

Environmentally-friendly Green Eco Bottle*¹

The 550ml Suntory Tennensui natural mineral water is packaged in the most lightweight PET bottle in Japan*² (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.

*¹An 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.

*² Plastic bottles for mineral water (500ml to 600ml) in Japan. As of November 2020



Green eco bottle

Introducing Record Breaking Thinnest Roll Label*¹ 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*²) 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 CO₂ emissions 25%*³ compared to conventional labels.

*¹These labels are not removed through the use of perforations; instead, the glued portion is peeled off.

*² 1/1,000mm

*³ 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. 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 biomaterials and from March 2019 started using a polyethylene cap made ethylene which is 100% plant-derived for our 550ml Suntory Aso Natural Water bottles 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 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

*2 As of April 2020

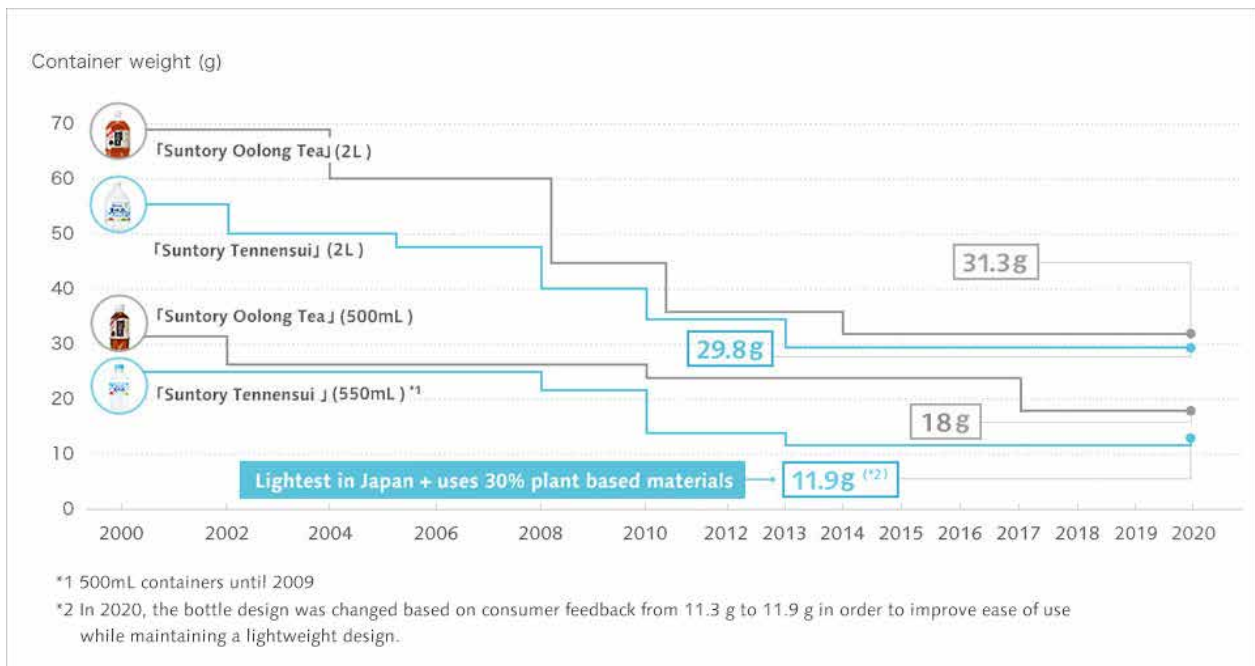
*3 One bottle of Suntory Tennensui Mineral Water (550ml)

*4 One bottle cap of Suntory Tennensui Mineral Water (550ml)

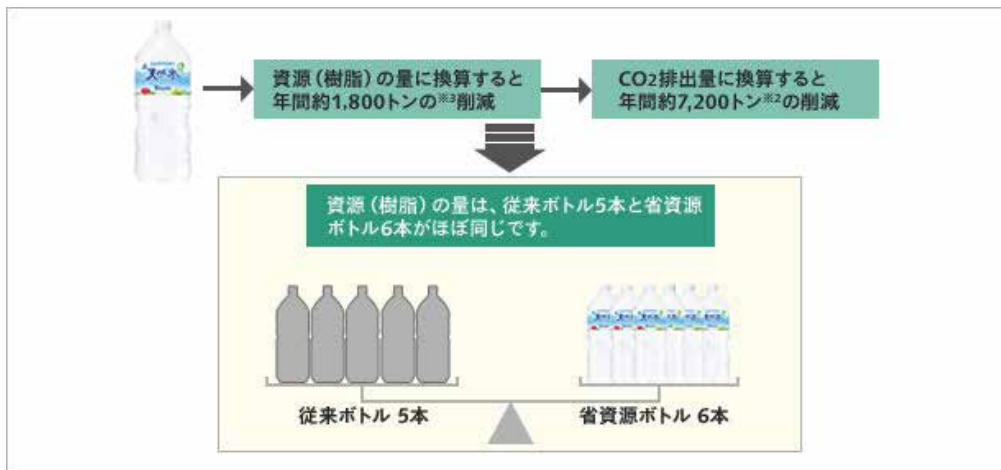
Evaluation from Society

Suntory Beverage & Food Ltd. was awarded the 2016 Minister of the Environment Award for Promoters of the Development of a Recycling-Oriented Society for the high praise that it received for activities to reduce the environmental impact, which includes the adoption of the world's first soft drink plastic bottle cap that uses 30% bio-based PET materials.

Primary lightweight plastic bottle products



Example of How We Have Reduced CO2 Emissions During Production of One of Our Leading Products ((Mineral Water) Suntory Tennensui , 2L bottle)



*1 As of April 2019

*2,3 Company calculations

Initiatives in In-house Blow Molding PET Bottles

In Minami Alps Hakushu Water Plant of Suntory Products Ltd., PET bottles are manufactured by blowing PET preform from PET resin. A comprehensive design and management from shaping bottles to filling them is made possible, making it easier to reduce the amount of resin used and weight of the bottle.

In addition, use of fuel and CO2 emission from transporting and purchasing already made PET bottles. Furthermore, we reuse high pressure air used during shaping of PET bottles to use energy effectively and reduce CO2 emission.



PET resin CO2 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. We are reducing the amount of the PET plastic used through a maximum of an 18% reduction from the conventional 134g and 120g bottles to reduce the yearly CO₂ emissions by approximately 460 tons (17%)*. The bottles are also been made easy-to-use by removing the handle area that had adopted conventional PET bottles and applying a new grip area deep in the center of the bottle with the cooperation of plastic bottle manufacturers.

* Company calculations



Old 4ℓ plastic bottle and new lightweight 4ℓ plastic bottle

Development of World's Lightest* Heat-resistant Plastic Bottles Through the Use of Japanese Technological Skill

The Japanese manufacturing technology and design skills 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 (18 g). 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.

* For 500ml class heat-resistance PET bottles (at the time of introduction in April 2020 based on Company research)



Lightest (15g) nitrogen instilled heat-resistant bottle in the world

Introduction of Beam Suntory's Own PET Bottle Manufacturing Technology

Beam Suntory has introduced its own PET bottle manufacturing technology from 2017 for 1.75ℓ large size spirits. This technology enabled weight reduction of bottles by 14%. In addition, this reduction in weight also greatly improved efficiency of transport by switching from transporting bottles to preforms, contributing to the reduction of environmental impact.

We plan to expand the use of this bottle manufacturing technology to 200ml to 750ml bottles in the future.



Products using the technology

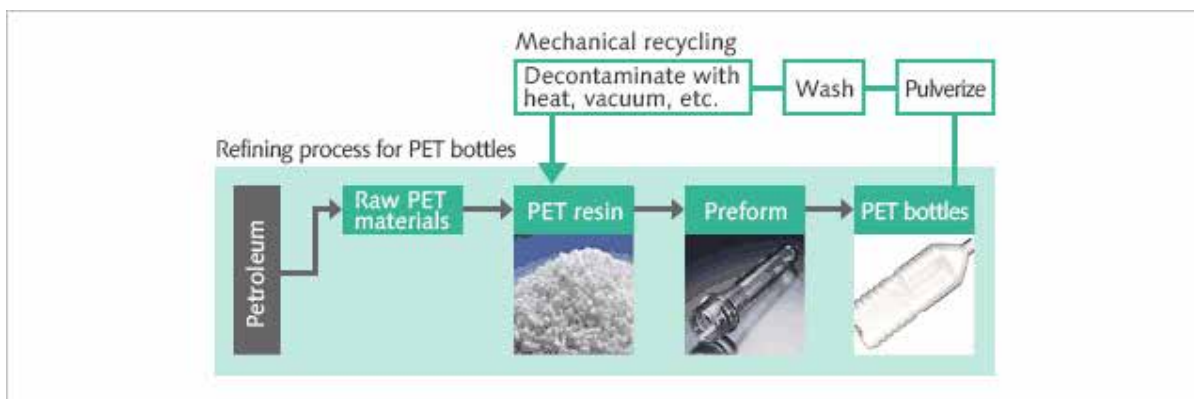
■Recycle: Recycling Plastic Bottles

Recycle PET Bottles for Horizontal Recycling of PET Resin in Japan

In 2011, Suntory Beverage & Food Ltd. partnered with Kyohei Sangyo Co., Ltd. to develop the Japanese beverage industry's first B-to-B*¹ mechanical recycling system*² 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 realized manufacturing of reused PET bottle that reduce CO₂ emission (including CO₂ emission from manufacturing PET resin) by 83%*³ compared to bottles made by 100% oil based materials. 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.



*1 B-to-B: "Bottle to bottle," signifying the creation of a new PET bottle from a recycled one.

*2 Mechanical recycling: The pulverization, cleansing, and return of used products to a material status. Recovered resin is processed for a regulated period under high temperatures and low pressure to remove impurities from the regenerated materials, yielding reclaimed PET resin suitable for use in bottle production.

*3 Compared with virgin resin

Adoption of F-to-P direct recycling technology

In 2017, as part of our recycling efforts, we worked with Kyohei Sangyo Co., Ltd. and overseas machine manufacturers (EREMA in Austria and SIPA in Italy) to develop F-to-P direct recycling technology expected to be effective in further reducing the environmental burden and started full operation in fall of 2018. F-to-P direct recycling technology can directly manufacture preforms after processing crushed and cleaned flake from recycled PET bottles through a high-temperature dissolving process. Compared to the conventional system which required several processes such as crystallization and drying before manufacturing preforms, the F-to-P direct recycling technology can reduce CO₂ emissions 25%* (manufacturing 1kg of preforms for PET bottles). We decided to expand the F-to-P manufacturing line in the Spring of 2019 and the second line started full operation in the Spring of 2020. We will promote the manufacturing of recycled PET bottles that have lower environmental impact through the expanded use of this technology.



F-to-P direct recycling equipment



Products that use F-to-P direct recycling technology

* Processes from spent PET bottles to the preform

Shifting All PET Bottles Used for Soft Drink Business in Japan to “Mataaeru Bottle” by 2030

Since we introduced PET bottles using 100% recycled materials for the first time for the Soft Drink Business in Japan in 2012, we have continued developing innovative technologies such as world's first recycling technology*1 that has lower CO2 emissions compared to conventional methods as well as realizing bottle-to-bottle recycling*2. In 2021, we named the sustainable bottle using 100% recycled or plant-based material as “Mataaeru Bottle.” We will further engage in the initiative including informing the customers that PET bottles are resource that can be recycled multiple times with appropriate recycling method.

We will promote bottle-to-bottle recycling in the Soft Drink Business in Japan and switch all PET bottles used in Japan to the sustainable “Mataaeru Bottle” to achieve zero use of petroleum-based materials.

*1 Co-developed by four companies including Kyoei Sangyo

*2 Recycling used PET bottles as new PET bottles



Coinciding with the renewal of GREEN DAKARA Yasashii Mugicha, its 650ml and 600ml bottles use 100% recycled materials, similar to other brands that are gradually making the same shift. Logo mark of “Mataaeru Bottle” was also added to the product label.

Implementation of Recycled PET Bottles for 720ml Wines

Suntory Wine International Limited has implemented recycled PET bottles using 100% recycled PET resins for 720ml PET bottles used for "Delicious Wine without Anti-oxidation Agents" and "Delica Maison" starting from the summer of 2020. In addition, PET to PET logo is added to the product label of our wines using PET bottles..



Active Implementation of Recycled PET Bottles Overseas

We are partially implementing recycled PET bottles using recycled PET resins in products handled by Suntory Beverage & Food Europe in France such as MayTea, Oasis and Pulco. All Ribena products in UK have already been using recycled PET bottle using 100% recycled PET resin for over ten years. We plan to achieve a mid-term goal of shifting 50% of the materials used for beverage containers to recycled plastic by 2025 in Europe.



Ribena also implemented roll label technology used in Japan to significantly reduce the area covered by a label to 50% or less of the product so their packaging are more recyclable in January 2021.

Introducing and Promoting Product Labels Made with Recycled PET Bottles

Suntory Beverage & Food Ltd. introduced product label made with recycled PET bottles in part of 2 ℓ 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 bottles used has been increased from 60% to 80% in March 2012.

* These labels are not removed through the use of perforations; instead, the glued portion is peeled off.



Roll label made with recycled PET bottles

■Bio: Actively Use of Plant-derived Resin

Aiming for 100% plant-derived 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 550 ml (Mineral Water) Suntory Tennensui 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. We are planning to initiate the introduction of plastic bottles made from 100% bio-based PET materials around the (Mineral Water) brand of Suntory Beverage & Food Ltd. in the future. In development, we are aiming to generate only plant-derived raw materials of non-foodstuff (wood chips) so that we do not impact the supply chain of foodstuff ingredients with paraxylene, which is a precursor of terephthalic acid that makes up 70% of the raw materials for plastic bottles.



Development and testing plant

Efforts in 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, etc.) 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 (in 2017, 94 million bottles were collected and reused). 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.

Non-returnable bottles are also effectively separated and collection routes utilized such as in each municipal.

Initiatives for 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 recyclable 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.*1

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 (Mineral Water) Suntory Tennensui for products manufacture 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 Beverage & Food Ltd., Suntory Beer Ltd., Suntory Spirits Ltd. and Suntory Wine International 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.

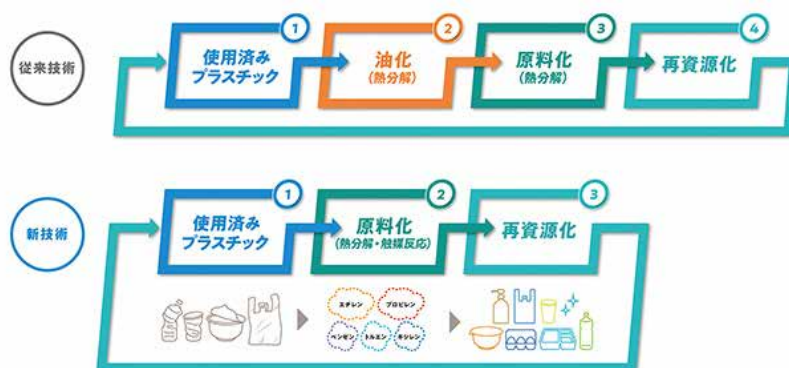
Collaboration for Container Recycling with the Industry and Local Governments

Establishment of A New Company R Plus Japan to Work on the Recycling of Used Plastics

Suntory MONOZUKURI Expert is one of the 12 companies that make up the value chain. To realize a sustainable society and contribute in solving plastic issues, it has jointly established R Plus Japan, a company engaging in resource recycling of used plastics, which started operation from June 2020.

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.

The newly established 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 this 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.



Characteristics of the New Technology

Promoting Direct Recycling with Local Governments

Suntory Beverage & Food has signed an agreement on bottle-to-bottle recycling business 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.

Promoting Litter Control for Empty Containers

We are carrying out litter control activities for empty containers in order to beautify the environment and promote effective use of resources. 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.



Issue of oceanic pollution from plastic bottles

The issue of oceanic pollution due to plastic bottles and other plastic containers, which is being debated as an environmental issue around the world, is one of the most important environmental challenges we as a society are facing. The Suntory Group strives to resolve this issue by actively cooperating with countries, regions, and industries in various initiatives as a beverage company who handles many of these containers. 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 a part of the employee volunteer activities, each member of the company sees this issue as something that needs to be handled at the individual level and takes action through efforts including participating in the Beach Cleanup Activity sponsored by a non-profit organization in Japan, and participating in cleanup activities in the Chicago River basin overseas (Beam Suntory employees). We are conducting enlightenment activities to encourage employees to volunteer in similar cleanup efforts. 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



Friends the Chicago River

Climate Change Measures

Promoting the Reduction and Recycling of Waste

As part of our efforts toward establishing a recycling-oriented society, Suntory works to reduce byproducts and waste generation, and attain a 100% resource recycling rate.

Byproducts and Waste Generation Performance 2020

Area	Emissions (thousand tons)
Japan	228
Americas	154
Europe	95
Asia	31
Oceania	7
Africa	0
Total	516★

* Data covers 26 production plants in Japan and 64 production plants overseas

* Therein, the byproducts and waste generated by Suntory Beverage & Food Group companies in Japan and overseas amount to 150 thousand tons★

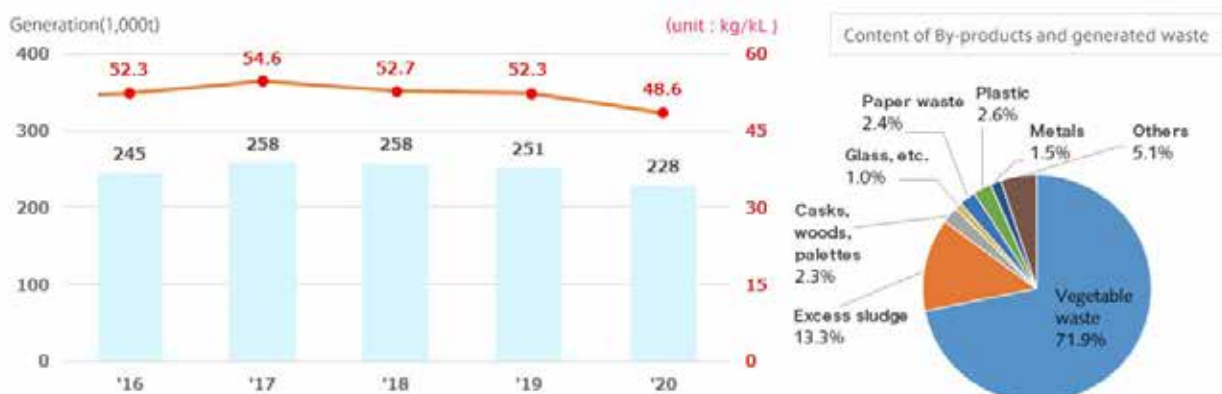
* Results have received independent assurance from KPMG AZSA Sustainability Co., Ltd. The assured numerical values are indicated with ★.

Maintaining a 100% Resource Recycling Rate

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.

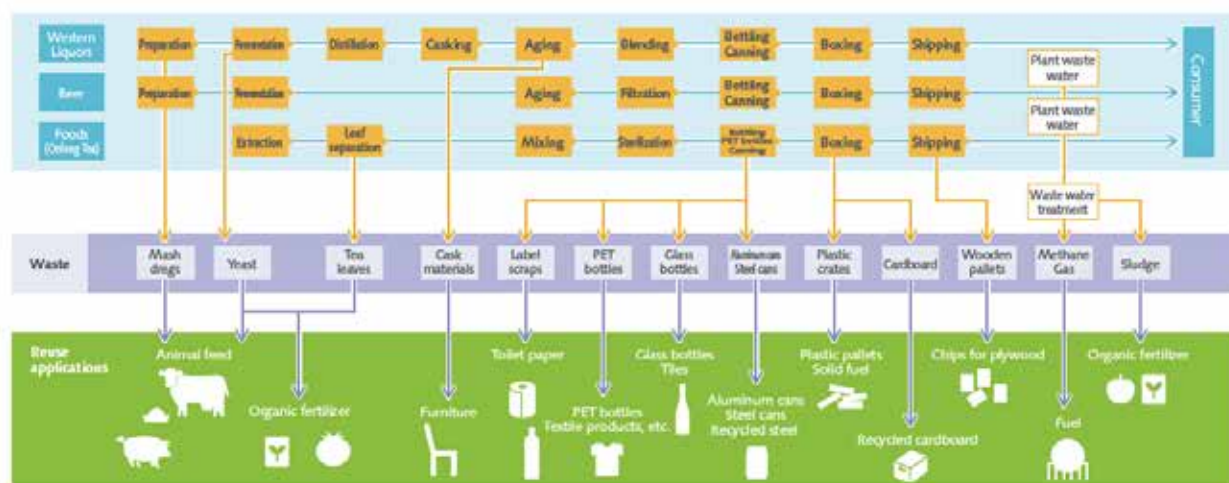
In 2020, our plants in Japan (including Group companies) generated 228,355 tons of byproducts and waste. This means total waste generated is the same and by-products and waste amount per unit of production decreased by 9.2% compared to 2019. The resource recycling rate has been maintained at 100%.

By-products and waste generation



* Data covers 26 production plants in Japan

Flow for reuse of by-products and waste generated in each production process



By-products and Waste generation, recycling rate and the purpose of use for recycled products

Type of waste	Main Purpose of Use	2016		2017		2018		2019		2020	
		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	185,227	100	195,334	100	187,818	100	181,524	100	164,185	100
Sludge (excess sludge, etc.)	- Fertilizer	27,574	100	30,351	100	30,472	100	31,245	100	30,275	100
Wood waste (cask, palette)	- Animal feed - Fertilizer	2,123	100	1,314	100	4,435	100	2,458	100	5,186	100
Glass and ceramic scrap	- Glass materials - Base course material	3,772	100	3,508	100	3,216	100	2,825	100	2,285	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	5,184	100	6,349	100	6,228	100	6,429	100	5,520	100
Plastic	- Palette - Solid fuel - Supplementary fuel	4,956	100	5,918	100	6,138	100	6,338	100	6,033	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	3,039	100	2,958	100	3,240	100	3,270	100	3,314	100
Other		12,729	100	12,632	100	16,405	100	17,365	100	11,558	100
Total		244,604	100	258,365	100	257,951	100	251,454	100	228,355	100

* Data covers 26 production plants in Japan

■Development of Applications for Resource Recycling by Type

We are furthering resource recycling for the by-products and waste produced by the Suntory Group in various applications.



Barrel cabinet



Suntory Barrel Story by Karimoku
Blend Series Dining Set



Drink sampling tray made
from barrel

Product line-up of the Suntory Whiskey Barrel Furniture created from whiskey cask materials that have fulfilled their distillery role.

Building a Recycling Circulation Cycle for Food Waste -- Izutsu Maisen Co., Ltd.

Izutsu Maisen Co., Ltd. is actively striving to reuse food loss to not waste the invaluable blessings 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

Climate Change Measures

Preventing Pollution and Management of Chemical Substances

We are implementing necessary measures to address environmental risks recognizing that even though we mostly use ingredients of natural origin, they still might produce negative impacts on the environment.

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

	2018	2019	2020
Emissions (t)	16.4	16.8	10.4
Per Unit (g/kℓ)	3.4	3.5	2.2

* 26 production plants in Japan

■NOx emissions

	2018	2019	2020
Emissions (t)	147.0	152.0	151.6
Per Unit (g/kℓ)	30.1	31.6	32.2

* 26 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 by following laws, 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. We also hold lectures of waste related law, visiting waste treatment facilities and role-playing training for audit them to members of production, sales, cultural sites, headquarters and Group companies. 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 2021)

	Stored	Used	Total owned
Capacitor	3	0	3
Transformer	5	0	5
Stabilizer for lighting device	11	0	11

Claims, Accidents and Lawsuits

There were no claims, accidents or lawsuits related to environment in 2020.

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 July 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 rich 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

We are supporting the development of a healthy body and mind through the promotion of sports such as rugby and volleyball in order to expand activities rooted in communities.



Social Welfare

We work in charitable and social welfare activities that give back the profit from our businesses to society based on the Giving back to Society spirit alive in Suntory 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 in Japan or overseas, 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.

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Broad Cultural, Arts and Society Contributions	Contribution Activities through Support of Foundation Activities	<ul style="list-style-type: none"> · Promoted culture, arts and society contributions through support for activities conducted by the Suntory Foundation for the Arts, the Suntory Foundation and the Suntory Foundation of Life Sciences Bioorganic Research Institute. · Webcasting of Concerts at Suntory Hall and Online Exhibition of "Marugoto Ichinichi Kodomo Bijutsukan" at Suntory Museum of Art under the situation of spread of New Corona infection · Selection and presentation of the 42nd Prize for Arts and Social Sciences and grant for young researchers. · Suntory SunRISE Life Science Researcher Support Program launched to provide research support to young researchers. 	●●●	<ul style="list-style-type: none"> · Promoted culture, arts and society contributions through support for activities conducted by the Suntory Foundation for the Arts, the Suntory Foundation and the Suntory Foundation of Life Sciences Bioorganic Research Institute. · Expand efforts to include online use under the new Corona, such as the launch of Digital Suntory Hall.
Contributions to Local Communities	Enhance activities to support recovery of Tohoku and Kumamoto coordinated with local governments, NPOs, etc.	<ul style="list-style-type: none"> · Support activities for culture, arts and sports activities through the Suntory Tohoku Sun-Sun Project and the Suntory "Land of Water" Kumamoto Support while paying attention to the prevention of new strains of corona infection · Contribution of donations to Kumamoto affected by victims of the torrential rain in July and provide beverages to elementary and junior high school students in the areas affected by the rain · Supported local cultural activities by celebrating local culture through the 42nd Suntory Prize for Community Cultural Activities 	●●	<ul style="list-style-type: none"> · The Tohoku Sun-Sun Project will launch a new "Mirai (Future) Challenge Program" to support regional development and local revitalization in Iwate, Miyagi and Fukushima prefectures. · The "Kumamoto Future Vision Program" started as part of the Suntory "Land of Water" Kumamoto Support · Supported local cultural activities by celebrating local culture through the 42nd Suntory Prize for Community Cultural Activities
Global development of social contribution activities	Promote social contribution activities in areas of business operations	<ul style="list-style-type: none"> · Next-generation environmental education "Mizuiku" implemented mainly in Vietnam, Indonesia, and Thailand · Began implementation of social contribution activities in other areas 	●●●	<ul style="list-style-type: none"> · Expansion of the number of areas in the world where the Suntory <i>Mizuiku</i> - Education Program for Nature and Water is implemented with a focus on the Asia region · Begin implementation of social contribution activities in other areas

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Next generation development support	Strengthen next generation support programs through cultural and sports activities	<ul style="list-style-type: none"> Expanded participants in next generation support programs through cultural, sports, and community contribution activities (40,000 participants) including online participants, due to Corona Implementing a scholarship system for challenged athletes 	●●	<ul style="list-style-type: none"> Expand and maintain participants in next generation support programs through cultural and sports activities (target of 70,000 participants)
Support employee participation in social contribution activities	Promote the development of platforms for active employee participation in social contribution activities	<ul style="list-style-type: none"> Enhance the volunteer information website "Volunteers". Promote volunteer activities in Japan and overseas under the themes of "water" in spring and "humanity" in autumn in line with our policy (Global Action for Water and Global Action for Humanity) Expand volunteer programs for employees to participate at home to prevent the spread of new coronas Annual participant 2,030 employees in Japan 	●●●	<ul style="list-style-type: none"> Enhance the volunteer information website "Volunteers". Promote volunteer activities in Japan and overseas under the themes of "water" in spring and "humanity" in autumn in line with our policy (Global Action for Water and Global Action for Humanity). Expand volunteer programs for employees to participate at home Annual participant target 2,000 employees in Japan

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

Guided by the theme "Art in Life" since its founding in 1961, the museum's current collection encompasses over 3,000 works of painting, lacquer ware, pottery, glass, and textile, including one national treasure and 15 important cultural properties. With no permanent exhibition, the museum is centered on its special exhibitions. The museum moved to Tokyo Midtown in Roppongi in March 2007. Based on the museum message of "Art revised, beauty revealed", we are also involved in passing down a sense of art of the Japanese people to future generations through larger and more diverse exhibitions. The museum, which was designed by architect Kengo Kuma with the theme of an "urban living room" in the middle of the city, provides facilities such as a shop, a cafe, a hall that hold a wide range of programs, and a tea room.



Suntory Museum of Art

2020 will Serve as a Year of Commemoration with the Reopening of the Museum

Suntory Museum of Art reopened its doors on July 22nd, 2020 after eight months of renovation. We have strengthened the ceilings of the museum to be earthquake resistant to further improve safety, installed LED lighting to bring artwork to life, redesigned the entrance, shop, and cafe, and provided newly designed uniforms to museum staff.



Entrance of Suntory Museum of Art

A series of exhibitions were held in commemoration of the reopening of the museum. The first exhibition, "ART in LIFE, LIFE and BEAUTY," featured collaborations with contemporary art and recreation of life at the time, while the second exhibition, "Japanese Art: Deep and Deeper," drew attention for its familiar and innovative exhibition structure. The third exhibition, "Art revisited, beauty revealed: Six storied exchanges," featured a variety of beautiful works that transcend historical and cultural divides to bring about new forms of beauty. All these exhibitions allowed visitors to enjoy the treasures of the museum's collection.



Posters for Reopening Celebration I, II, and III

In order to continue to reach people who may not be able to visit the museum due to the effects of the Corona pandemic, we have also enhanced our online-based learning programs and are continuing our efforts to deeply familiarize as many people as possible with Japanese culture.



Learning Program:
A Behind the Scenes Look
at "Japanese Art: Deep and Deeper"
- The inside story from curators (video)



A Look at Reopening Celebration I
"ART in LIFE, LIFE and BEAUTY" (video)

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 and welcomes approximately 600,000 visitors.



Suntory Hall

Enhancing Accessibility through Seven-month Renovation aiming for the World's Top Quality of Safety and Comfort.

Suntory Hall celebrated its 30th anniversary on October 12, 2016 before closing between February and August 2017 for a seven-month renovation. While valuing the mission to "In pursuit of the world's most beautiful sound", we welcome 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.

Suntory Hall held a concert and an emergency drill with the Suntory Group employees participated before the reopen after the renovation. We aim to ensure Suntory Hall has the highest standard of the crisis management.



Concert and Emergency Drill



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

Suntory Hall has presented unique programs since its opening as an influential venue in the music industry. Particularly, the Summer Festival of contemporary music launched in 1987 and the annual Chamber Music Garden (CMG) specialized in chamber music launched in 2011 gather international attention. In 2020, Suntory Hall had to cancel a number of concerts due to Covid-19 pandemic, however, some concerts were shifted successfully to online live streams. Meanwhile, the annual Wiener Philharmoniker (the Vienna Philharmonic) Week in Japan, which Suntory Hall has invited the orchestra since 1999, took place as scheduled under the highest level of precautionary measures and self-restrictions. It is the first visit by an overseas orchestra since the global outbreak of Covid-19. This was one of the biggest topics in the world's music industry in 2020.



CMG Online



Suntory Hall
Summer Festival 2020



Wiener Philharmoniker Week
in Japan 2020
Valery Gergiev conducts
Wiener Philharmoniker

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. And as a Community Culture Promotion Project efforts 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



Challenge Research Aid
for 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.



2017 Research Institute Meeting
(Saji Keizo Memorial Hall, Osaka University Nakanoshima Center)

Suntory Rising Stars Encouragement Program in Life Sciences (SunRiSE) was started in January 31, 2020. It provides flexible and effective support that eliminates limitations on usage purposes and duration of the support to enable young researchers in the basic science research to realize their aspirations to understand and pursue knowledge. We hope to build a network of knowledge that not only utilizes the exchange between researchers as well as connections the Foundation and Suntory have and release them to the society.



December 2020
Suntory SunRiSE Life Science Researcher Support Program
press conference

■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 38th time in 2020.

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 online in our 10,000 people choir.



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 participates in corporate sporting events and supports sports promotion activities. We have our own rugby and volleyball sports teams that compete in league games. Both teams place special emphasis on promoting their sports, planning and carrying out community-based activities such as holding rugby and volleyball workshops mainly during the off-season.

Activities to Promote Sports

■Suntory's Rugby Club Suntory SUNGOLIATH

Company rugby club Suntory SUNGOLIATH was created in 1980 and participates in the Japan Rugby Top League, a national league for company rugby clubs. Suntory SUNGOLIATH is one of the leading teams in Japan, winning the Top League championship five times and All-Japan Rugby Football Championship eight times.

We are actively engaged in promotion activities for rugby to support a healthy mind and growth of the body through sports. We also actively participate in rugby workshops and other events taught first-hand by Suntory SUNGOLIATH team members.

The Suntory SUNGOLIATH team also puts effort into social contribution activities and actively participates in events that include rugby workshops, local cleaning activities, and disaster recovery support activities.

We actively strive in new efforts to let more people, including women and children, know about rugby, including an event held by Suntory to watch the 2019 World Cup in Japan together with people from disaster-affected areas.



Suntory's Rugby Club
Suntory SUNGOLIATH



Participants of Rugby Clinic



Suntory SUNGOLIATH
has won the All-Japan Rugby Football
Championship eight times

■Suntory's Volleyball Club Suntory SUNBIRDS

Company volleyball club Suntory SUNBIRDS, created in 1973, participates in the V. Premium League Division 1, the top company volleyball league in Japan.

To promote sports, the club engages in activities such as coaching volleyball techniques and supporting the management of volleyball competitions (2019 was the 14th time for elementary schools, 41st time for junior high schools, and 23rd time for the mother's volleyball competition). In addition, SUNBIRDS athletes taught in the volleyball workshops to various age groups, with as focus on elementary and junior high school students, with the participation of about 5,800 participants in 2019.

Furthermore, Suntory SUNBIRDS participates in social contribution activities. The athletes helped with a wide-range of activities such as leading exercises with a ball for the elderly as well as working with the police to prevent youth delinquency and crime. The SUNBIRDS also held volleyball workshops for elementary and junior high school students in Iwate, Miyagi and Kumamoto Prefectures as part of support activities to support the recovery from the Great East Japan Earthquake and Kumamoto earthquakes.



Suntory's Volleyball Club Suntory SUNBIRDS



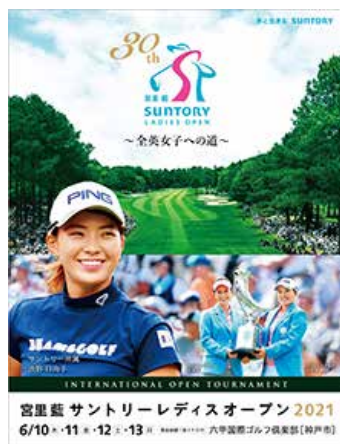
Volleyball workshop for communities



Activity for preventing youth delinquency and crime

■Ai Miyazato Suntory Ladies Open Golf Tournament to Enter 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 event was held at the Rokko Kokusai Golf Club in Kobe City from 10,2021. 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 Japanese and international up-and-comers and amateur golfers who are expected to become leading players in the future, and actively engages in other charitable events. From the 30th tournament on, the first- and second-place golfer will 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 by separating famous players who have retired from professional baseball into two teams to provide dreams and excitement. The dream baseball match has brought joy to a total of 1,090,000 baseball fans so far. The Premium Malt's, led by Manager Koji Yamamoto, and the Dream Heroes, led by Manager Yasushi Tao, played an exciting baseball game at the 25th match held in Tokyo Dome in May 2021. The event was held in May without an audience for the first time due to the spread of the new coronavirus. A portion of the proceeds from this event goes toward holding baseball workshops for the recovery of baseball.



Day of the match (2019)

■Suntory Challenged Sports Project

The Suntory Group started supporting challenged sports in 2014 as a part of our recovery support for disaster-stricken Tohoku region.

In addition to the provision of grants and donation of sports equipment, we hold challenged sports experience classes, including wheelchair basketball sessions, for children in the Tohoku Region.

Over 5,000 people have participated in the event so far.

The Suntory Group has not only supported recovery efforts as an official partner of the Japanese Para-Sports Association and the Japan Wheelchair Basketball Federation since 2015 but also strives in efforts that include the support of athletic activities and competitions for athletes such as Suntory Employee Mami Tani, an active para-triathlete, in addition to employee volunteer activities. Moreover, we are working in promotional activities, such as video production of rules for wheelchair basketball, VR videos of wheelchair basketball, and online publishing projects to introduce the passion of the athletes. We will persevere with our athletes in the future 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

In the spirit of our founder, Shinjiro Torii, who called for "Giving back to Society", we have maintained his principle by returning profits 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 88,000 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, which was started in 1990, have been used to help earthquake disaster recovery efforts in Kobe City and help build safe and secure towns from 1995 when the Great Hanshin-Awaji Earthquake occurred until 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, and 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 plan and 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. We have been holding "Concerts for Children" which is Japan's first regular orchestra concerts for children and "Minato-city & Suntory Hall Enjoy! Music Project" for fourth grade elementary school students in Minato-city from 2014. We also host other programs such as "Master Class by Principals of Vienna Philharmonic Orchestra", in which members of Vienna Philharmonic Orchestra teach young musicians directly.

Minato-city & Suntory Hall Enjoy! Music Project

Minato-city and Suntory Hall have continued the on-going hands-on arts program focused mainly on music since 2014 for local fourth grade elementary school students. Internationally recognized conductor Kazushi Ono was involved with the planning for the workshop and performance under the theme "Joy of Vibrant Voices" in 2018. In the two-hour workshop held at each elementary school, a soprano, alto, tenor and bass from the Suntory Hall Opera Academy performed. The workshop demonstrated the difference in the range of these voices and the vocal resonance (B-flat), sung the Japanese song "Momiji," and provided guidance to the source material key to Beethoven's 9th before the concert in January. On January 30, 2020, roughly 1,500 fourth grade students from elementary schools in Minato City gathered at Suntory hall to watch the Tokyo Philharmonic led by conductor Ryusuke Numajiri.



Elementary School Workshop



Minato City & Suntory Hall
Enjoy! Music Project
at Suntory Hall

Holding "Concerts 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, offering opportunities to play musical instruments under the guidance of the member of the orchestra, opportunity to be a child receptionist and other participatory events are being further being increased.



Performance by children



Hands on experience corner of musical instruments

Suntory Hall Keizo Saji Junior Program Seat

A program that continue 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 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. The education programs that started as a venue to link visitors with the art museum such as commemorative and special lectures on exhibits was renewed in 2020 as learning program. It continues to offer various programs that children and adults can both enjoy. We also began offering video of lectures and other online programs. 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. Our first online program where videos and readings for children were presented was held in 2020 as a measure to prevent the spread of infection.



Online banner of "All Day Kids' Museum!"



Video for children "Secret Museum Tour"

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, rugby club Suntory SUNGOLIATH and volley ball team Suntory SUNBIRDS promotes their sports and holds workshops to directly teach children in a various places.

In addition, Suntory Sungoliath are cooperating opportunities for children to interact with rugby such as the operation support for Local Rugby School and Rugby sports event.

The SUNBIRDS are also holding a Ball Play Seminar for Children to Experience the Joy of Exercise as an elementary school class and supporting the operations of the local volleyball competitions.



Rugby Clinic



Volleyball Clinic

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' wish 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	Cristchurch Earthquake Appeal Trast	
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

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 scuh 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.



■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. **3,500**



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.



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 main 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 taste testing 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

Suntory Challenged Sports Project

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 these 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 challenged sports with the aim of training and empowering athletes at a global level in Iwate, Miyagi and Fukushima prefectures.

Grant Recipients: 294 Individuals/129 Organizations (Total of approx. 206,000,000 yen)

(As of January 2020)



4. Introductory Workshop to Wheelchair Sports (Students: 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)

Suntory provided information for employees to go watch 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).



(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 has competed in the three Paralympic Games back-to-back in the running long jump. She transitioned to Para-triathlons in 2016. Mami Tani has been engaged in various CSR activities that include an invitation speech for the 2020 Tokyo Games and reconstruction support.



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.

In FY2019, some 7,000 Suntory Group employees worldwide and 1,300 employees in Japan took part in volunteer activities.

■ Providing Opportunities to Volunteer

We launched the internal company website site 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 "Making use of one's own abilities outside of work is enriching."

Additionally, Suntory Volunteers has partnered with Volunteer Web (provided by the Japan Philanthropic Association) to use its activity introduction and application system.

The Let's Cut Fabric and Picture Book Delivery international volunteer programs have been bundled into a package with the cooperation of NPOs and published on the Suntory Volunteers Web and have been successfully in areas requested by our employees. Furthermore, we established the Volunteer Leave Program as part of this support system.



Internal Volunteer information Site
Suntory Volunteers



Volunteer Web

■ Information on Volunteer Activities Sponsored by Suntory

Suntory Group Global Water Action

As the world turned its attention to the importance of water for United Nations World Water Day on March 22, Suntory Group took action as "Mizu To Ikiru Suntory" by organizing the worldwide "Suntory Group Global Water Action" to keep individual employees aware of and inspired to act on the ideals behind "Mizu To Ikiru."

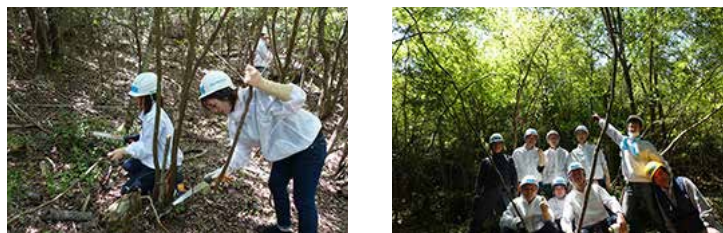
The volunteer theme is "water." Throughout the world, Suntory Group employees will simultaneously organize water-related volunteer activities, such as beach cleaning. Overseas group companies will strengthen their activities at the same time.



"Suntory Group Global Water Action" Poster and T-shirt

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

Volunteer Activity to Provide Disaster Support

Volunteers were dispatched so that each employee could help victims, in addition to the company making donations and supplying goods after the Western Japanese Torrential Rain occurred in 2018 and Typhoon No. 19 (Hagibis) in 2019.

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.



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

Volunteer Activity for Managing the Kashima Gatalympics and Innoshima Suigun Matsuri, an Event Which Received the Suntory Prize for Community Cultural Activities

Volunteers joined the fun with people locally at events such as the Suntory Prize for Community Cultural Activities 2017 prize winner Kashima Gatalympics, where they helped with competition judging, and 2018 winner Innoshima Suigun Matsuri, where they helped with operations, including transporting taiko drums.



Gatalympics competition volunteers



Innoshima Suigun Matsuri operations volunteers

Beautification Activities at Offices

The Suntory Group's offices located around the country 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.



Musashino brewery employees and family members help clean up the banks of the Tama River



Ujigawa Plant employees help clean up around the factory

Information on Volunteer Activities Sponsored by Suntory Group Companies

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 fiscal 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 Konsen 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.

Since 2007, Häagen-Dazs Japan has been donating food products to a food bank activity* run by Second Harvest Japan, a non-profit organization. Each year we offer ice cream to children at social welfare facilities during summer vacation and the Christmas season. As in 2018, employees of Suntory and Häagen-Dazs Japan again collaborated in 2019 to volunteer for a food bank that delivers ice cream to mother and child support facilities, child-care facilities, etc., and visited facilities to deliver Häagen-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

Information on Volunteer Activities at 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 next-generation Suntory "Mizuiku" - Natural Water Education Program. 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





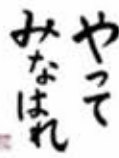










Sustainability Initiatives

To Create Harmony with Employee

Diversity Management

The Suntory Group pursues diversity on the basis of its human resource management philosophy. By promoting diversity in our employee base as well as embracing 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. We have established methods to encourage employees to work hard to achieve even higher goals without the fear of failure.

* This applies to 6,806 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, 2020; excluding global Group expansion)

			
Employment Pattern	Development of Human Resources	Diversity	Work-Life Balance
			
Basic Policy on Human Resource We aim to create an environment that enables each employee to work with enthusiasm and challenge, and bring out their full potential.	 Employment Status 2020 data for employees that work in the Suntory Group is provided.	 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.	
			
 Promoting Diversity 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.	 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.	 Labor/Management Relations Labor and Management cooperate to create a comfortable working environment.	



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.



Health management

We have started health management from 2016 to further promote the health of our employees and their families.



Group Global Human Resources Department

Suntory is involved in a wide range of initiatives on a global level as global expansion accelerates.

Sustainability Action Plan

Target achieved: ●●● Achieved 70% or more: ●● Achieved less than 70%: ●

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	FY2021 Action Plan
Respect for Human Rights	Cultivate an organizational culture that puts respect for human rights first and establish groupwide human rights management mechanisms	<ul style="list-style-type: none"> Conducted a human rights seminar at a production plant. (89 people participated). Introduced stratified human rights seminars for Suntorians from junior employees to newly appointed managers and executives in addition to conducting training for plant managers. 	●●●	<ul style="list-style-type: none"> Human rights seminars on the theme of Dowa Mondai are scheduled to be held at each site. (6 offices are planned). Continually introduce stratified human rights seminars for newly appointed executives, newly appointed managers, plant managers, and junior employees.
Development of Human Resources	Enhance human resource development system and promote Yatte Minahare spirit of employees	<ul style="list-style-type: none"> Created a system for sharing the company philosophy. We collaborated from the planning stage to directly confront and solve management challenges unique to each Group company and conducted programs for sharing the company philosophy. This system shared examples at joint Group company meetings to provide information for wider dissemination at each Group company, which also helped explore new needs. Vitalized “Terakoya” activities We hosted numerous events with set targets to cultivate an organizational culture of independent learning and mentoring with great results. Site access: 13,902people (503% of previous year); participants: 2,646 people (up 125% of previous year); festivals; 177events (up 145% of previous year) 	●●●	<ul style="list-style-type: none"> -Implementation of specific activities in accordance with departmental issues to achieve a 30% ratio of female managers by 2030. Strengthen inclusion activities through training and other means to ensure that each employee understands and believes in diversity and inclusion. Promote the formulation of group-wide policies and activities in conjunction with overseas group companies.

Prioritized items	Mid-Term Targets	Results in FY2020	Evaluation	Results in FY2020
Promoting Diversity	Realize diversity management that creates greater value through accepting and utilizing diverse values and ideas	<ul style="list-style-type: none"> • Communication skills training on the theme of Unconscious Bias for all managers in the sales division . • LGBTQ: Ongoing efforts to create an inclusive culture. -Senior activities: Launched measures to create an open career path that transcends corporate boundaries. • Global: Started initiatives such as the International Women's Day event in conjunction with overseas group companies. • Gender: Started initiatives in accordance with departmental issues to achieve a 30% ratio of female managers by 2030. • Handicap: Expansion of the operations and areas of the Collaborative Center. 	●●●	<ul style="list-style-type: none"> • Continually hold unconscious bias themed training to bring understand about diversity and inclusion and incite prudent action by each person. • Formulate and further activities under various themes, such as LGBT, seniors, global inclusivity, gender, and disabilities, to promote greater diversity.
Promoting Work-Life Balance	Transform working styles and create workplaces where each person can make full use of their capabilities	<ul style="list-style-type: none"> • Furthered initiatives underpinned by the work-style innovation promotion leader system, accelerated knowledge expansion , and promoted the use of RPA. 	●●	<ul style="list-style-type: none"> • Further initiatives to heighten employee motivation (interest) underpinned by the work-style innovation promotion leader system.

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.

■ Investigating the Organizational Climate of the Company with an 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 64 companies in 2020. 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 53% 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

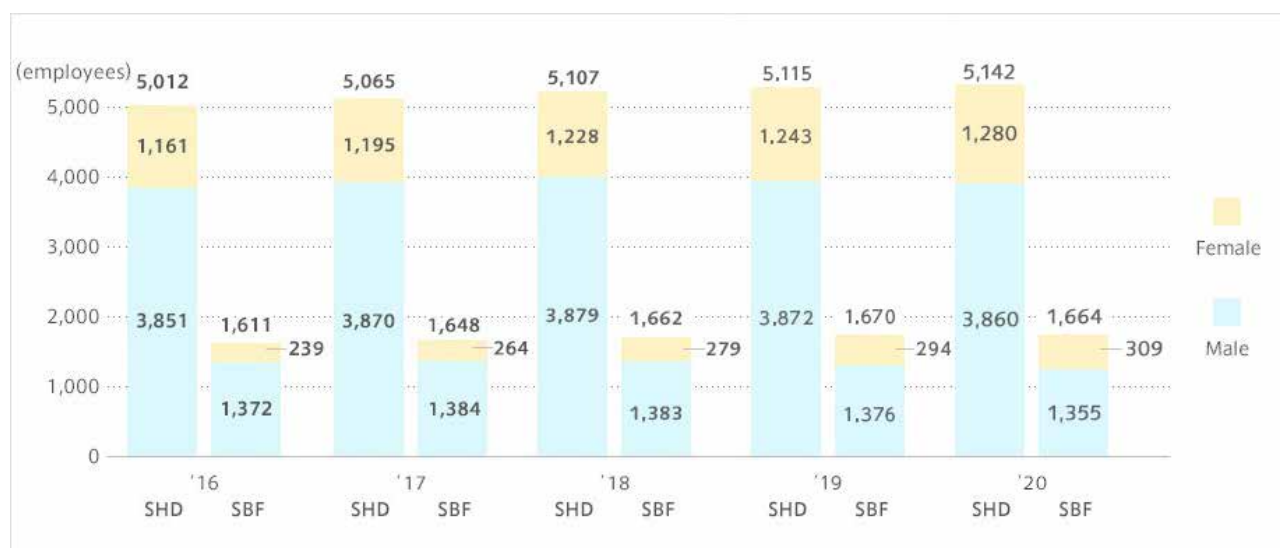
Employment Status

2020 data for employees that work in the Suntory Group is provided.

Employment Status at Suntory Group

Employment Status at the Suntory Group as of December 31, 2020 is as below.

■ Number of Employees (as of December 31, 2020)



* SHD: Suntory Holdings Ltd.

* SBF: Suntory Beverage & Food Ltd.

■ Average age and average length of employment (as of December 31, 2020)

	2016		2017		2018		2019		2020	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
Average age	40.8	42.0	41.3	42.3	41.7	42.6	42.1	42.8	42.4	42.9
Average tenure	16.6	17.6	17.1	17.8	17.5	18.1	17.7	18.3	17.9	18.4

* SHD: Suntory Holdings Ltd.

* SBF: Suntory Beverage & Food Ltd.

■ Age and Ratio (as of December 31, 2020)

(employees/%)

SHD+SBF		2020			
		Male	Female	Total	Ratio
	60s	434	60	494	7%
	50s	1,213	281	1,494	22%
	40s	1,589	331	1,920	28%
	30s	1,446	524	1,970	29%
	20s	533	395	928	14%
Total		5,215	1,591	6,806	100%
Ratio		77%	23%		

■ Number of Employees (as of December 31, 2020)

(employees)

		2016			2017			2018			2019			2020		
		SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
	Male	41	14	55	45	13	58	43	14	57	44	14	58	44	14	58
	Female	4	1	5	2	3	5	2	3	5	1	3	4	1	3	4
Executives		45	15	60	47	16	63	45	17	62	45	17	62	45	17	62
	Male	1,422	627	2,049	1,432	643	2,075	1,459	654	2,113	1,497	668	2,165	1,541	686	2,227
	Female	185	34	219	200	40	240	217	40	257	231	42	273	239	47	286
Managers		1,607	661	2,268	1,632	683	2,315	1,676	694	2,370	1,728	710	2,438	1,780	733	2,513
	Male	2,429	745	3,174	2,438	741	3,179	2,420	729	3,149	2,375	708	3,083	2,319	669	2,988
	Female	976	205	1,181	995	224	1,219	1,011	239	1,250	1,012	252	1,264	1,043	262	1,305
Members		3,405	950	4,355	3,433	965	4,398	3,431	968	4,399	3,387	960	4,347	3,362	931	4,293
Employees		5,012	1,611	6,623	5,065	1,648	6,713	5,107	1,662	6,769	5,115	1,670	6,785	5,142	1,664	6,806
	Male	161	42	203	106	31	137	80	28	108	89	30	119	114	38	152
	Female	82	22	104	79	19	98	87	113	200	90	115	205	85	128	213
Contract employees, etc.*		243	64	307	185	50	235	167	141	308	179	145	324	199	166	365
Temporary staff		560	52	612	567	63	630	573	66	639	543	58	601	526	57	583

* 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)

			2016		2017		2018		2019		2020	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		79	20	68	17	69	16	70	24	66	20
	Female		43	19	48	20	45	16	47	18	49	18
Experienced workers	Male		17	0	13	4	14	5	9	1	8	3
	Female		7	5	2	7	11	5	5	0	16	1
Total			146	44	132	48	139	42	131	43	139	42
Experienced workers ratio											17%	10%

* SHD: Suntory Holdings Ltd.

* SBF: Suntory Beverage & Food Ltd.

■ Number of Resignees and Reasons/turnover Rate

(employees)

		2016	2017	2018	2019	2020
Retirement ^{*1}		39	39	66	89	128
Personal circumstances ^{*2}		53	43	57	54	48
Corporate circumstances ^{*3}		0	2	1	0	0
Other		7	4	8	2	7
Total ^{*4}		99	88	132	145	183
Turnover rate ^{*5}		0.80%	0.67%	0.86%	0.80%	0.71%

*1 Retirement includes flexible-age retirement

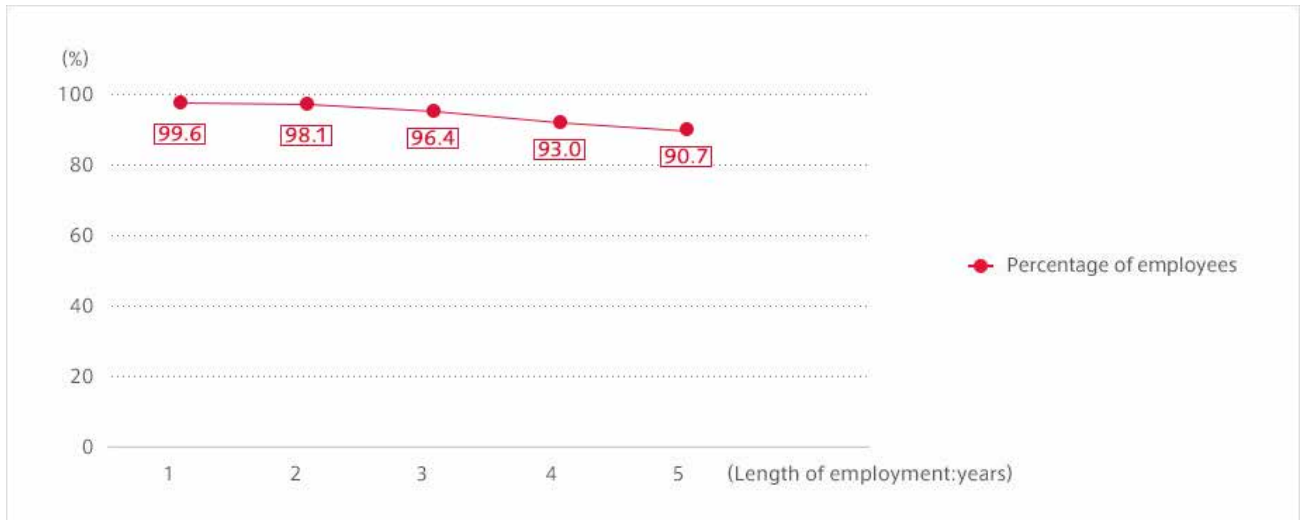
*2 Resignees of Suntory Beverage & Food (domestic) were 8 in 2015, 6 in 2016, 11 in 2017, 7 in 2018, and 11 in 2019.

*3 Company circumstances include factory closings and selling of business. Individual circumstances include employment transfers.

*4 Covers employees

*5 The turnover rate is calculated excluding mandatory age retirement

■ 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 2013 to 2015.

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.

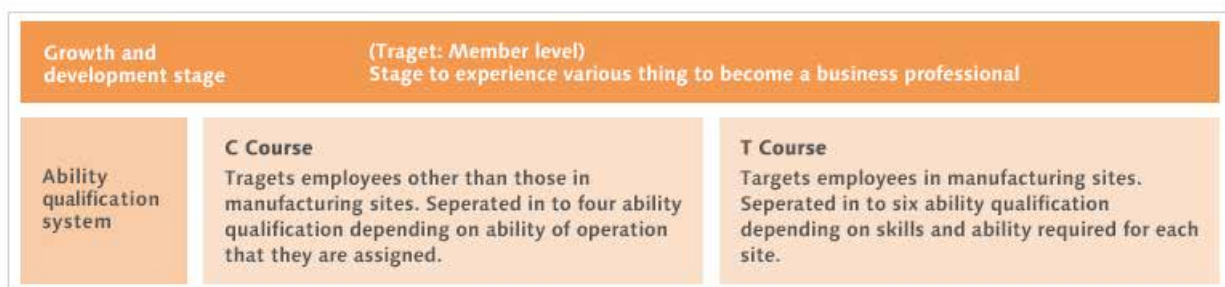
- Each employee takes on increasingly difficult targets and challenges with a spirit of improvement
- The company offers employees opportunities for skill and career development, and supports their self-actualization
- Compensation is fair, and clearly reflects the employee's role and results

■ 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 Prize"

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 2020, the sixth 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.

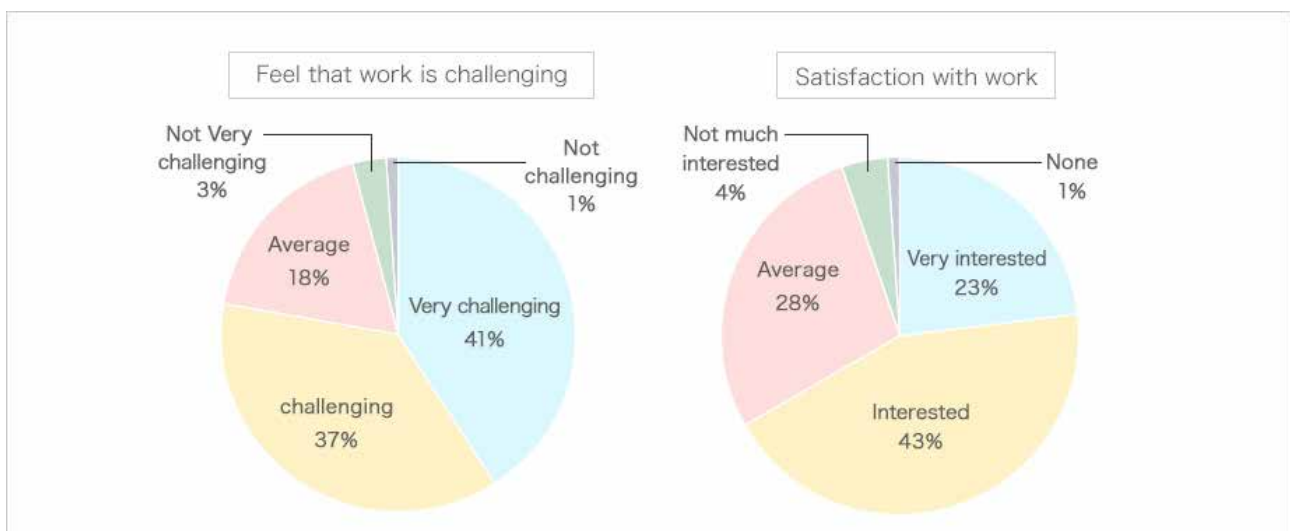
In addition, we have implemented a job rotation system for employees to experience multiple jobs over roughly ten years from when they enter Suntory to expand the possibilities of young employees. We are actively engaging in individual interviews with employees and the human resource department, including 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 78.1% of employees felt motivation in their work and 66.9% of employees were satisfied with their work in 2020. 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.

FY2020 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

We achieved five stars-the highest accolade-at Nikkei Inc.'s Nikkei Smart Work Survey 2021, and have received the S++ rank for the fourth year in a row in the Personnel Utilization category in particular.

Our numerous efforts in promoting diversity through the utilization of female/senior citizen personnel and the establishment of a collaboration center, and in creating diverse and flexible work styles with active roles by work style reform leaders and incorporation of robotic process automation (RPA) software in all of our companies, etc. have led to this solid reputation.

Opening of Suntory University

The Suntory Group is supporting the development of employees based on the belief 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 of initiatives.

The vision of Suntory University; Encourage every Suntorian to contribute to Suntory Group's business growth, having Founding Spirits in heart as its 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 of the employees who belong to the Suntory Group in three fields; leadership development, the founding spirits and 2030 capabilities.

■ Founding Spirits: To realize "ONE SUNTORY" globally by sharing the Suntory's DNA; including our founding spirits

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 "Sharing the Profit with Society."

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. When they return to their company, they will become ambassadors and share what they have learned with others. The Ambassador Program aims to spread Suntory's Mission, Vision, Values and Founding Spirits, as well as to drive forward the promotion of Global ONE SUNTORY. It has been held more than 20 times since 2012, and the total number of participants is around 600. Participants deepen their understanding about the founding spirits that has been held as most important since the founding of Suntory through various lectures, site visit, workshops and discussions. 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.



Suntory Hall



Suntory *Mizuiku*
- Natural Water Education Program



Tea Ceremony Experience at
The Suntory Museum of Art Tea Room

Implemented within Japan regional programs

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 "Sharing the Profit with 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

■ Leadership development: To develop future leaders who can drive global growth for the Suntory Group

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.



GLF

We held the Global Leadership Forum (GLF) for the senior leaders that is selected from entire Suntory Group companies to develop future global leaders in 2016, 2017, and 2018. (We are planning to hold GLF in 2021 again)

Purpose of the program is outlined below;

- 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.



Beyond Borders

The Beyond Borders Program aims to accelerate the development of cross enterprise leadership capabilities for senior leaders across the organization. In 2019, 23 participants were selected from around the world. The program consistent of four modules over ten months. The module themes include: Self-Leadership and Culture Development, Innovation, and Strategy. Following each module participants were assigned to teams to focus on a Project that allowed them to apply their learning against real business challenges and opportunities.



GLDP

The Global Leadership Development Program (GLDP) is a six-month joint leadership development program designed and facilitated by Suntory University and Møller Institute, University of Cambridge. The objective of this program is to build and develop a holistic leadership capability such as developing a global leadership mindset, broadening perspectives for the future, and networking within Suntory and other leaders across the globe. This program consists of three face-to-face modules in Auckland, Cambridge and Tokyo, along with Action Learning Projects and coaching sessions in between, to help participants apply their learnings and contribute to Suntory's Vision for 2030. In the final module, they make business proposals to executive leaders by integrating all their learnings throughout the program. In 2019-2020 cohort, 24 leaders from Suntory Group companies gathered from around the world.



Other Development Programs in Japan

Name	Description	Number of participants 2019	2011 – 2020
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.)	9	76
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	2	29
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.	13	93



Workshops in the Career Challenge Program

A trainee who has shown his presence at a meeting with overseas team members

■Infrastructure human resource development (Japan only): To continually support and nurture every Suntory Group employee

This department 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.

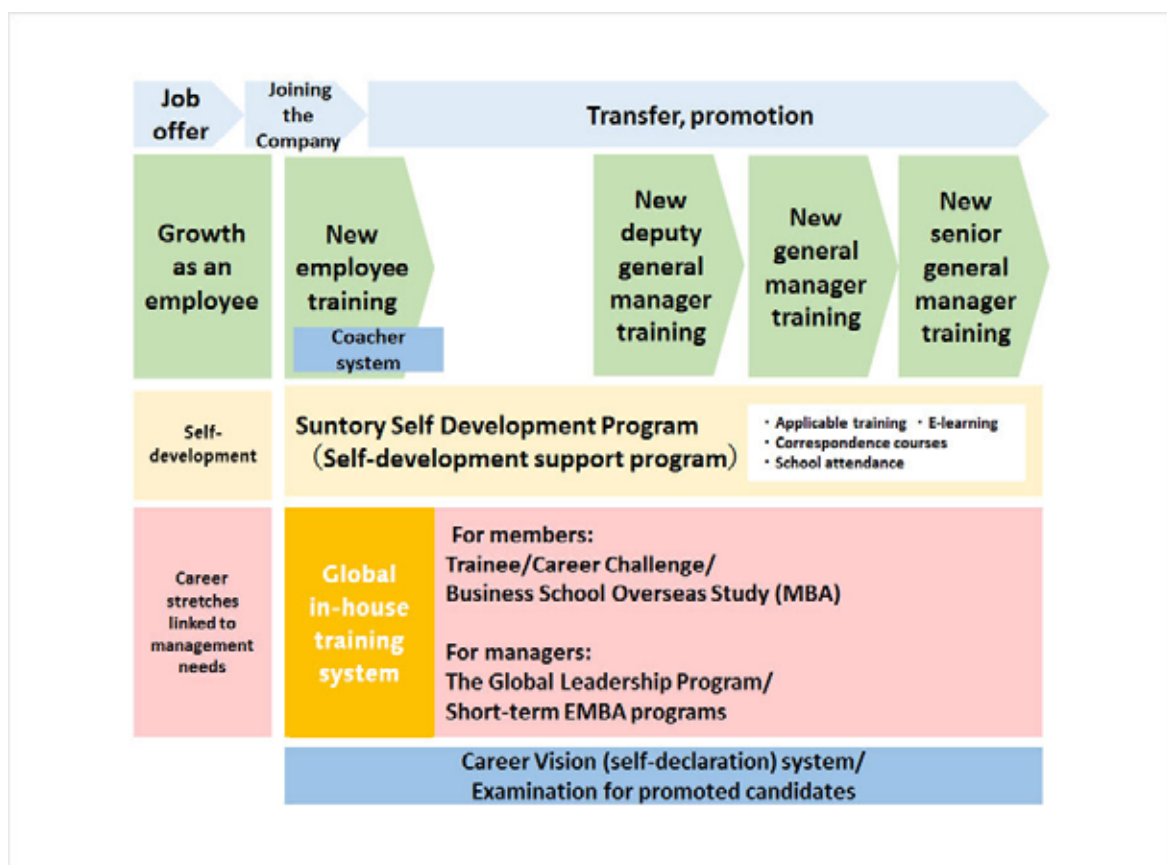


Supporting Career Planning and Development of Each Employee

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 fourth year with the company, and then design their own career path in their tenth year to pursue into the future. We also conduct workshops for each generation for the purpose of evoking a career vision in our employees based on deep self-understanding to drive their careers in the future as professionals in their 40s beginning when they are 38. We also support career planning and development that strives to create a brighter future in life through work with themes from reaffirming growth in the future at 58 in addition to the adoption of an extension of retirement to age 65.

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

Employees need to continually strive to be optimistic by taking responsibility of their own careers to work enthusiastically and grow as an individual with a unique work style. 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 with optimism. 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 FY2020

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	845
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.	223
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.	1,972
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	66

* 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 11,000 employees(as of 2021 Feb) 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.

[2020 results] Number of participants (total): 14,384 Number of annual events: 177 (111 events were sponsored by employees)



■Promotion of Global ONE SUNTORY

Training for New Graduates Across Group Companies in Japan

The Suntory Group has deepened its bonds while learning since 2014 by holding training together with multiple Group companies that includes courses about the mindset of professionals as well as basic business manners based on the hope to drive future synergy by fostering an awareness as a member of the Group from a time when employees are new to the company. The programs were held online with the participation of 6 companies* and 31 new employees in 2020.

* 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 2020 with 49 employees from 8 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 2020, the eighth Manager training was held with the participation of 39 employees who have less than three years of managerial experience. Those who are from 13 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

Global ONE SUNTORY Program

This program targets employees in Suntory's group companies all around the world. The main objectives are to deepen understanding of business and strategy in business regions across the Suntory Group, discuss opportunities for synergy, and strengthen professional networks across participants. Program contents often include the following topics:

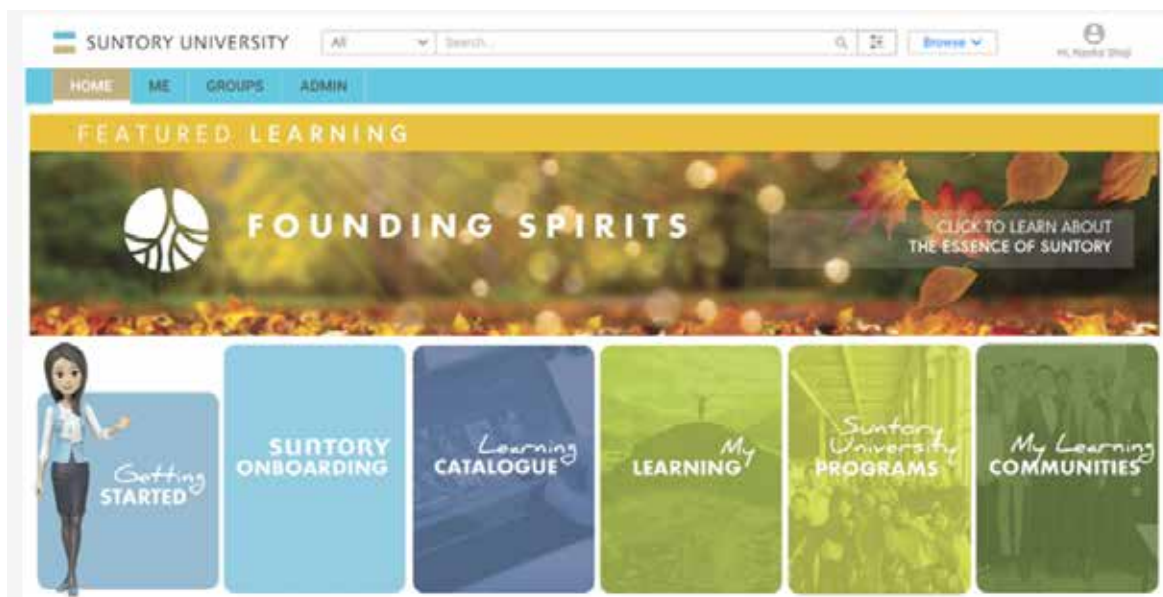
- Sharing of Suntory's long-term vision
- Presentations on regional business overviews and strategies
- Workshops to understand Suntory's worldwide business and history
- Group discussions on future synergy opportunities
- Cross-cultural communication workshop



We will drive synergy and contribute to support for human resource development at each Group company in the future by taking advantage of the strengths in various fields brought together at the Suntory Group.

Global Online Learning Platform "MySU"

Suntory University launched online learning platform-MySU, expanding into 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.

At the new platform - MySU - employees will find 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.

■Presented the Award for Companies Providing Career Support

Suntory Holdings Ltd. was presented with the Minister of Health, Labour and Welfares 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

Promoting Diversity

We are endeavoring to create an organization that enables diverse employees to carry out "Yatte Minahare" through the promotion of diversification of characteristics that they hold and respect for their differences.

Acceleration of Diversity Promotion

To continue ceaselessly in the creation of new value in 2011, we created the Diversity Promotion Section based on our belief in the importance of actively accepting and utilizing a diverse range of human resources and personnel values irrespective of nationality, age, or other attributes. Four prioritized activity areas and five prioritized initiatives were set forth in 2012.

We established the Suntory Group Vision for the purpose of creating new value through diverse perspectives and approaches to a multicultural environment in 2017 and will promote even greater diversity throughout the entire Group.



[Overcome countries]

■ Group Talent Review

Suntory conducts a Group talent review once a year to identify, develop and utilize human resources who are able to actively participate in the Group worldwide. The Group talent review is conducted by function such as finance and administration to gather top management at major Group companies and identify the key talent 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 will strive to expand the content of these reviews in the future. We will promote talent management throughout the Group and the world through these Group talent reviews and other measures in the future.

■Global Employment

In order to discover and acquire human resources who can act as a bridge to connect groups from both Japanese and overseas, we are hiring new graduates who are attending universities around the world and hiring foreign employees with various work experiences. In 2020, we conducted an internship as the first attempt to accept students who are attending overseas universities to departments in Japan for about 1 month.

We will continue to promote efforts to further establish employment brand with the aim of becoming a company that is selected from promising employees 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 10.5% at the end of 2020. 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.



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, 2020

* 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*¹ advocated by work with Pride*², which evaluates initiatives for sexual minorities including LGBTQ in the policies of organizations such as corporations and associations.



Awarded the gold with the highest rating in the LGBTQ initiative index "PRIDE index"

*¹ 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.

*² 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 utilization 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,"^{*3} an international initiative that promotes the advancement of people with disabilities, and we will continue to further strengthen our efforts at all Group companies.

^{*3} 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, 2020)



* 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 utilize 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 Utilization of Women"

Eruboshi is a certification given by the Minister of Health, Labour and Welfare for the goal of promoting the utilization 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.

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).

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	Promoting the use of flex-time and teleworking programs Roughly 80% employees used the teleworking program Received the Minister of Health, Labour and Welfare's Award for Enterprises that Promote Telework (Shiny Telework Prize) in 2015. 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.
Promotion of operational efficiency	Promotes the use of high-performance video conferences, teleconferences, tablets, smartphones, portable computers, and RPA Revises policies such as meeting rules and rules to create materials that use the Working Methods Handbook Continually revise operations from the perspective on-site in each department founded in the work-style innovation promotion program.

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 2020 was 100% for women and 48% for men. Each year the number of men taking child care leave is growing with 174 women and 122 men taking child care leave throughout the year.

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.



Akasaka Office

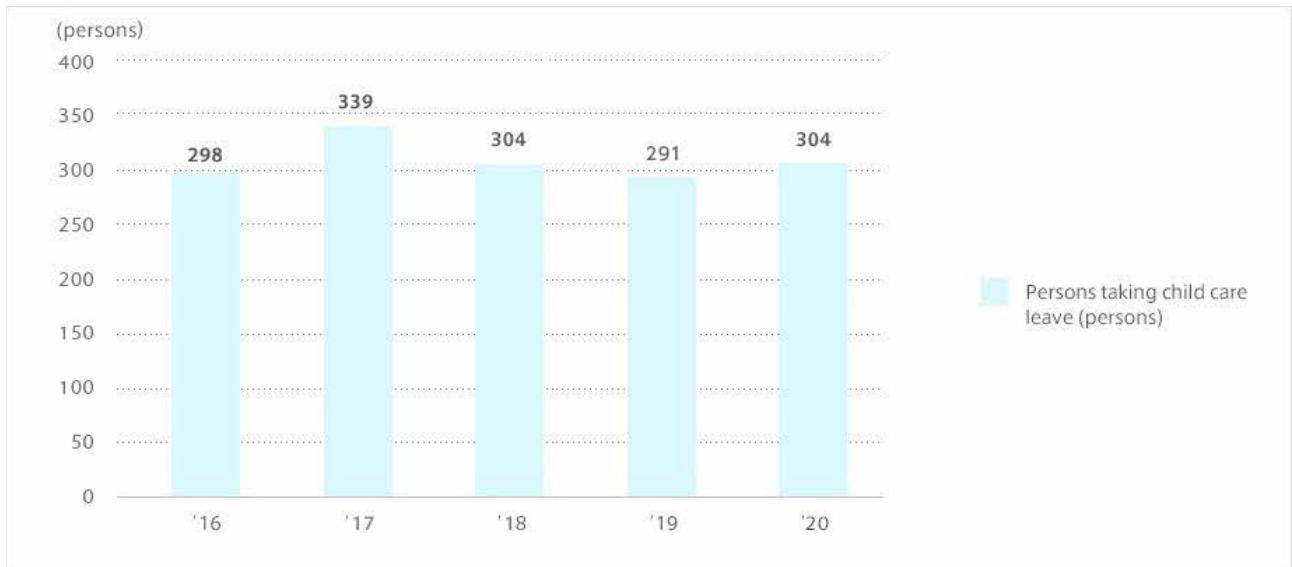


Kyobashi Office

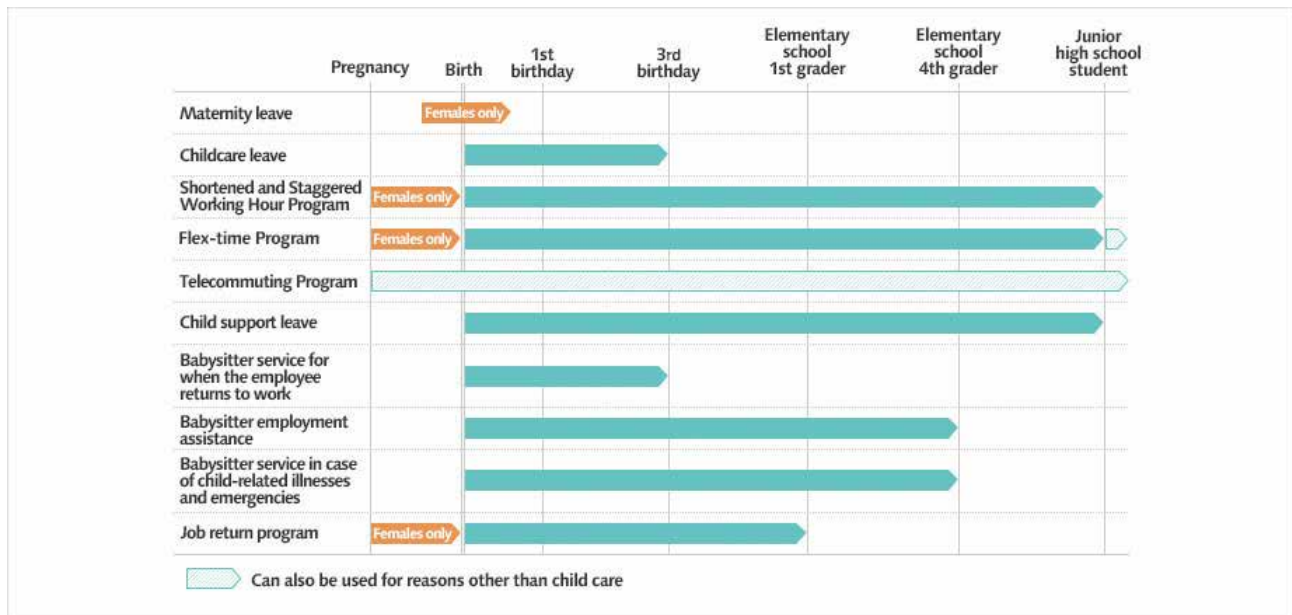


Products Development Center

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)

		2014	2015	2016	2017	2018	2019	2020	
				SHD+SBF	SHD+SBF	SHD+SBF	SHD+SBF	SHD+SBF	
Child and nursing care	Childcare leave	205	247	298	339	304	291	304	
	Shortened and staggered working hour for child care	Male	-	-	102	56	133	111	122
		Female	-	-	196	54	171	180	182
	Newly taking childcare leave	118	143	180	229	75	74	67	
	Number of employees returning after childcare leave	Male	-	-	-	155	117	114	127
		Female	-	-	-	70	75	75	79
	Number of employees that resigned during childcare leave	Male	-	-	-	0	0	0	0
		Female	-	-	-	3	0	0	0
	Ratio of employees returning after childcare leave	Male	-	-	-	100.0%	100.0%	100.0%	100.0%
		Female	-	-	-	95.9%	100.0%	100.0%	100.0%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	-	-	-	102	152	135	122
		Female	-	-	-	196	169	165	176
	Number of employees returning from child care leave	Male	-	-	-	100%	97.44%	100.0%	100.0%
		Female	-	-	-	98.5%	92.35%	96.5%	98.0%
	Shortened and staggered working hour for child care	195	192	225	216	217	178	122	
	Nursing leave	2	1	2	2	3	2	1	
	Shortened and staggered working hour for nursing care	2	3	0	0	0	2	0	
Telecommuting Program*	3,196	3,577	4,460	4,845	5,176	5,674	6,696		
Child support leave	663	464	539	583	599	650	555		
Home helper	0	2	1	2	1	4	3		
At home child care service	37	16	26	29	34	44	37		
Vacation	Refresh leave	791	933	702	801	824	886	485	

■ 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 2020.



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	Once 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 2020, 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 16 occupational accidents in 2020. Lost time injury/illness frequency rate*¹ was 0.20 (benchmark rate in soft drink and alcohol manufacturing: 1.08*³) while Lost time injury/illness severity rate*² was 0.01 (benchmark rate in soft drink and alcohol manufacturing: 0.01*³). 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) ÷ (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)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of occupational accidents (including paid leave and substitute leave)	3	3	2	3	4	0	6	1	3	0	3
Number of occupational accidents not accompanied by lost work time	14	10	8	12	13	8	18	12	21	14	13
Number of accidents resulting fatality				0	0	0	0	0	0	0	0
Total	17	13	10	15	17	8	24	13	24	14	16
Lost time injury/illness frequency rate	0.31	0.30	0.20	0.17	0.34	0.00	0.47	0.08	0.23	0.00	0.20★
Lost time injury/illness severity rate	0.002	0.005	0.009	0.002	0.004	0.000	0.003	0.000	0.001	0.000	0.010

* 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 BWS Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Wine International Ltd., Suntory Liquors 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

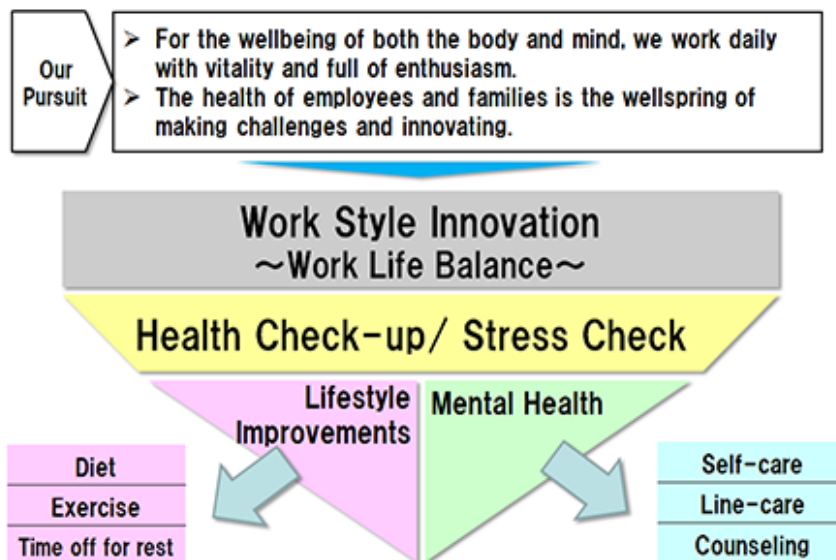
The Suntory Group strives to raise awareness and prevent occupational accidents before they happen by holding regular occupational health and safety education courses. A total of 242 people took part in these education courses in 2015, with a total of 302 people in 2016, a total of 610 in 2017, a total of 722 in 2018, a total of 731 in 2019, a total of 611 in 2020.

To Create Harmony with Employee: Diversity Management Health Management

The Suntory Group believes health is not something simply related to hospitals but also satisfies health of both body and mind, energy in everyday work, and enthusiasm. We started health management from 2016 to promote an even greater level of health for our employees and their families based on this belief. We also were praised and recognized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for these initiatives for five consecutive years since 2017. Certified Health and Productivity Management Organization Recognition Program (Large Enterprise Category) - White 500 consecutively.



Health and Wellbeing Management at Suntory



		2020 Results	Targets Toward 2021
Health check-up rate	Employee consultation rate	100%	100%
	Spouse (over 40) consultation rate	53%	75%
	Reexamination consultation rate	52%	100%
Lifestyle improvements	Obesity rate (including those at risk)	23%	20%
	Smoking rate	20%	15%
Stress checks	Ratio of low-stress employees	93%	94%

A Variety of Programs to Promote Employee Health

Considering the physical and mental health of employees is one of the most important duties of a company. We are working to put in place periodic self checks and a follow-up support system that enhances health check-ups and stress checks so that every single employee can engage in their work energetically. We also started efforts toward lifestyle diseases prevention (Suntory Health Challenge).

■ Comprehensive Health Examinations

Suntory Group provides health examinations that include detailed medical tests in excess of legal requirements. Employees aged 40 and older are required to take a day-long, full physical examination in addition to the regular annual check-up (the cost of items designated by the company is borne by the company). Cancer screenings are also a requirement based on age with 90% of employees undergoing examinations for gastric cancer, colon cancer, lung cancer, and breast cancer as well as more than 85% of employees being screened for cervical cancer. Industrial doctor checks the result of every employee's health examinations and holds interviews and guidance for those need attention. In addition, we support employees to maintain and improve their health through building a system of health consultation such as nurse staff visiting offices to hold health consultation and counseling by clinical psychotherapist.

■ Consults held by Occupational Safety and Health Staff

We have established a system of industrial health staff, including industrial doctors, mental health professionals, nurses and clinical psychologists, and all employees are assigned a nurse in charge, aiming to create an atmosphere where they can easily consult with us at any time. The nurses regularly visit the offices in charge, to conduct health consultations once each year with employees who are at the relevant age, and provide support for health guidance as necessary. We will continue to promote efforts to identify physical and mental conditions and lifestyle habits for early detection and early response.

Various Health Measures

Various policies		
Illnesses, injuries, and disasters	Special leave that uses expired leave	Up to 60 days of leave can be accumulated from up to ten days of leave each year for paid leave not taken for injuries or illnesses occurring outside of work, for infertility treatments, and for the care of family
	Hospital room subsidies for remaining balance	Subsidizes 70% of the costs incurred for rooms outside of the health insurance coverage while hospitalized
	Support Program for the Cost of Advanced Cancer Treatments	Subsidies for the Costs of Advanced Treatments Outside the Suntory Health Insurance Society Policy such as Heavy Ion Radiotherapy (up to 5 Million Yen per person per year)
	Subsidies for specific infertility treatment	If the patient receives "specified infertility treatment" approved by the Ministry of Health, Labor and Welfare, 100,000 yen will be paid for the first treatment and 50,000 yen for subsequent treatments. (Maximum 5 times per person)
Use of physical examinations		Employees over 40 years of age may have require physical examinations (once a year) without any cost to the individual for items designated by the company as periodic health assessments
		People over 30 years of age (including dependents) may have physical examinations (up to once a year) and only pay 5,000 yen of a one-day examine
Stress checks		Held four times a year and is always available
Dental examinations		Once per year
Mental Health Consultation		Consultation services from employees and their family members living with them on various matters related to the workplace, home, and private life through telephone, e-mail, online interviews, and face-to-face meetings. Consultations are available even for matters that are difficult to discuss within the company.
Chat-type medical consultation		Medical consultation service available via chat or video call from PC or smartphone, 24 hours a day, 365 days a year, and family use is also possible. (To be introduced in 2021)

Number of users for various health measures

(employees)

		2016	2017	2018	2019	2020
Illnesses, injuries, and disasters	Special leave that uses expired leave	65	34	57	68	34
	Hospital room subsidies for remaining balance	36	38	32	65	39
Physical examinations (over 40 years of age)		3,333	3,286	3,648	3,721	3,805
Physical examinations (over 30 years of age)		1,014	1,141	1,242	1,184	1,119
Physical examinations (family)		2,046	2,122	2,207	2,214	1,540
Dental examinations		3,632	3,773	3,803	3,737	3,680
Mental health consultation service (telephone and in-person)*		110	59	70	252	201

* Until 2018, we used the health telephone counseling system.

Suntory Health Challenge 2020 Program



Program	Description	Number of participants Number of users (approx.)
Health Mileage	System to assign points for efforts to better health such as daily walking and radio exercises as well as health check-ups that can then be saved and exchanged for prizes	8,000
Radio exercises	Radio exercises are conducted every day at every office	8,000
Under 40 years old Specific health guidance standard	Online guidance for those under the age of 40 who meet the specified health guidance standards set by the Ministry of Health, Labour and Welfare	400
Health seminars (led by outside lecturers)	"Cancer in the working generation", seminars and sharing of experiences by specialist doctors and cancer survivors	600
Support in quitting smoking	Smoking cessation clinic support and In-house smoking cessation support "Mimamori-tai" system	230
Walking Event	Walking Event Held with Overseas Group Companies as a Health × Environmental Management Initiative	8000

Installation of a Health Care Room

The Odaiba Office and Osaka Office have put in place health care (corporate masseuses) rooms that provide services where government-certified care givers provide care such as massages and finger pressure therapy. Approximately 2,900 employees have used this program throughout the year as one way to improve mental health and alleviate stress.



A look at treatment

■ 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	Basic knowledge on mentality (measure) Mental health seminar (content)	Provide information through Mental Health Handbook that summarize basic knowledge and Implementing mental health e-learning
		Management lecture at new manager training
	Implementing support when returning to work	Implementing a system to support returning to work with doctor specializing in mental health
Care by health staff in the office	Establishing In-house specialist doctor	Consultation by doctor specializing in mental health
	Establishing in-house consultation	Consultation by in-house career counselor
Care by resources outside the office	Establishing external consultation	Telephone consultation and interview by external specialized agency

■ **Coordinating with Work Style Innovation**

Largely revising the work style to enhance both professional and personal lifestyles is indispensable in the realization of a form able to satisfy the health of both body and mind, energy in everyday work, and enthusiasm for each and every employee. The Suntory Group promotes health management while firmly connecting that management to work style innovation.

■ **Support of the Wellness of even the Employees' Families**

The Suntory Group is supporting the lifestyle of employees and their families from a broad range of aspects. External consultation windows such as mental-health consultation and telephone consultation as well as the general SOS contact window are available to support a wide range of needs from health consultations to even legal consultations. We are receiving consults from our employees and their families. We have also established a system that plays a role in issues directly confronting the lifestyles of our employees in addition to resolving their fears with programs such as the subsidy program to assist in physical examinations of our employees and their families.

To Create Harmony with Employees: Diversity Management

Group Global Human Resources Department

The Suntory Group has been driving great change in human resource activities in recent years as the global expansion of its businesses accelerates. 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.

Promoting Global Human Resource Activities Through Cooperation with Each Group Company

The Suntory Group is advancing various activities while cooperating with each company to create synergy between Group companies across the globe under the motto of ONE SUNTORY. Each and every Suntorian full of individuality found around the globe demonstrates the “Yatte Minahare” spirit from people-to-people exchanges across countries and organizations as well as sharing know-how with one another. We will continue to evolve our global human resource activities so that we may be able to deliver much sensation and joy to every corner of the world.

■ Suntory People Way

In recent years, we formulated the Suntory People Way as the belief and concept held by all of Suntory by reaffirming our stance on human resources as the driving force of growth at the Suntory Group in the drastically changing environment surrounding us from the acceleration in expanding businesses globally to the drastic increase in the number of Group employees following the expansion. The Suntory People Way encompasses three elements which cherish the originality and uniqueness of Suntory — FAMILY, YATTE MINAHARE, and ENGAGEMENT. This belief and concept are held by all of the people who come together in the Suntory Group and are rooted in all of the activities conducted by our human resources.

FAMILY

The people Suntory brings together are our family. They are essential to the organization.

Suntorians are the force driving our growth to be an even better corporate group.

Each and every person is a Suntorian. We provide growth opportunities from a long-term perspective to support the realization of lifestyles filled with health and happiness.

YATTE MINAHARE!

We strive to set enthusiastic goals and tackle bold challenges while keeping our founder’s spirit close to our hearts.

ENGAGEMENT

We are strongly united by our Founding Spirits and vision "Growing for Good".

We deliver sensation and joy to the world recognizing and blending the individuality of each person as diverse value.

■ Group Talent Review

Suntory conducts a Group talent review once a year to identify, develop and utilize human resources who are able to actively participate in the Group worldwide. The Group talent review held in 2019 was conducted by function such as finance and administration to gather top management at major Group companies and identify the key talent 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 will strive to expand the content of these reviews in the future. We will promote talent management throughout the Group and the world through these Group talent reviews and other measures in the future.

■ Group-wide Human Resource Platforms and Systems

The Suntory Group works to adopt human resource platforms and systems shared throughout the Group to effectively link and leverage human resource information that exists at each Group company. We share information related to a system (Group talent book) that allows Suntory Group employees worldwide to view information that incorporates an enthusiasm unique to Suntory as well as key talent and positions in addition to utilizing talent management throughout the Group. We have also developed group-wide talent assessment model to ensure consistent talent review across the group. We have created a foundation that allows more opportunities for talent to be active in the Suntory Group regardless of country or business. They are used in group-based talent management.

■ Group Engagement Survey

We aim to maximize the organizational capabilities of the Group and are working to introduce Group-wide engagement surveys. The Suntory Group has clarified an increase in its organizational capabilities as a result of adopting common Group questions to measure the engagement level throughout the Suntory Group as well as the penetration of the Group corporate philosophy in 2017 as a way to cultivate unity as a Group and visualize that unity.

■ Health management

We launched a cross-Group project team for the health of our employees as human resources of the Group that advances activities that create unity throughout the Group. Continuing from 2017, we conducted the One Suntory Walk (activity to promote employees to walk) to improve awareness about health and encourage better health in Group employees. We also incorporated systems to determine donations to environmental organizations worldwide based on the number of steps as well as integrated elements of social media networks to increase the motivation of employees to participate to make the event a great success. Health is not simply preventing illness but also the ability to work enthusiastically each day filled with motivation and happiness. We will also promote health management throughout the Group now and into the future based on the belief that physical and mental health of our employees and their families is the source to perseverance and innovation.

■ Diversity

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.

■ Global Employment

As the Group expands worldwide, Suntory needs to find human resources who can act as a bridge to each Group company with both a focus on Japan as well as the international community. Suntory Holdings and Beam Suntory have been conducting joint activities to hire new graduates in North America since 2016. These activities help enhance the recruitment efforts of both companies, such as sharing mutual know-how and candidates. In the future, the Group will unite to advance its employment activities toward establishing an employment brand as a Group.

■ People-to-People Exchange (short-term assignments)

We have actively promoted people-to-people exchange with the aim of training human resources who can be active transcending businesses and countries and use each other's knowledge. Starting this activity in 2017, we accepted 13 overseas group company employees from a very wide range of fields, such as the Corporate Strategy Planning Department, Human Resources Department, R&D Department, and Design Department to participate in short-term assignments. In the future, we will more actively promote the vitalization of human resource exchange by viewing it as a key activity for the development of human resources within the group.

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



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.

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.

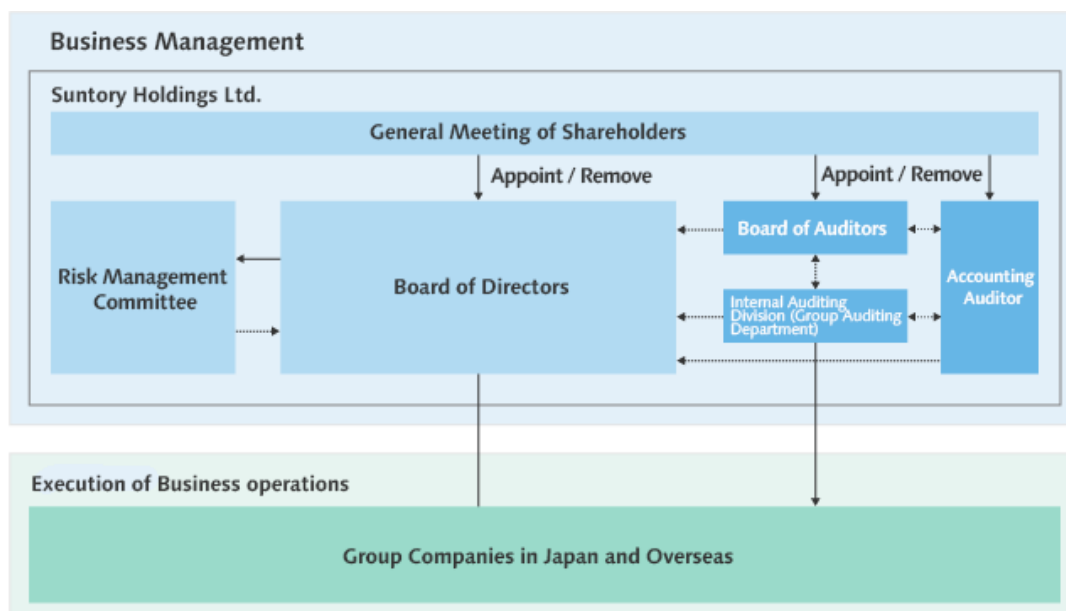
■ Boards Responsible for Group Management

Suntory Holdings' Board of Directors is made up of 7 directors, including 1 outside director (as of April 2021). 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 2021). 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 first section 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 2021).

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 are also release 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. (Revised in 2015)

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.

I. 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 in Japan and overseas undertake e-learning and seminars, etc.

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.
- 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.

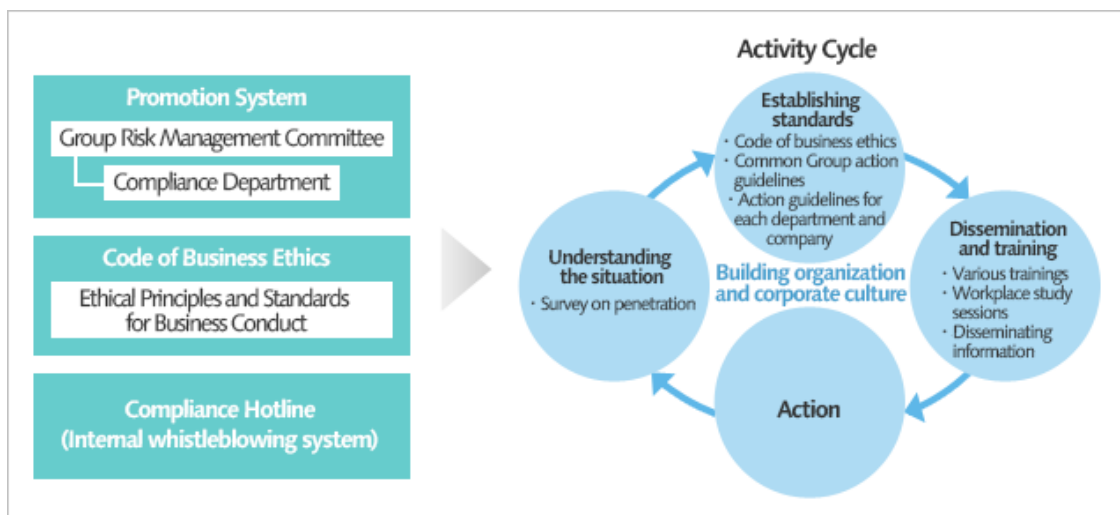
■Promotion System Rooted in the Frontlines

To promote compliance from a cross-Group perspective, the Compliance Department was established under the Risk Management Headquarters to specifically promote compliance.

The Compliance Department must remain aware of all measures formulated and implemented at each workplace and about how those measures conform to policy. In addition to offering advice on specific issues, the Compliance Department set up the Compliance Hotline, and is charged by the Group Risk Management Committee to faithfully investigate and rectify any compliance violations found. 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, there are specific personnel responsible for promoting compliance issues 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 installed a Compliance Hotline both at our Compliance Office and at an external law firm as a common contact point for all of the Group companies in Japan in order to quickly discover and resolve problems when reporting or consulting with a supervisor is not appropriate. 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 installed a worldwide common contact point for reports encompassing all Group companies in Japan and even overseas as part of our global risk management system in April 2016.

In 2020, a total of 214 reports were received through these contact points at each Group company in Japan and overseas (101 reports were received by Suntory Beverage & Food Group). Roughly 60% of the reports received in Japan were about labor, personnel and management issues. We work to resolve the raised concerns and prevent them from reoccurring by implementing corrective measures and recommendations based on the investigation results, while making sure that the confidentiality of involved persons is protected by the Compliance Department and relevant departments in charge at each Group company.

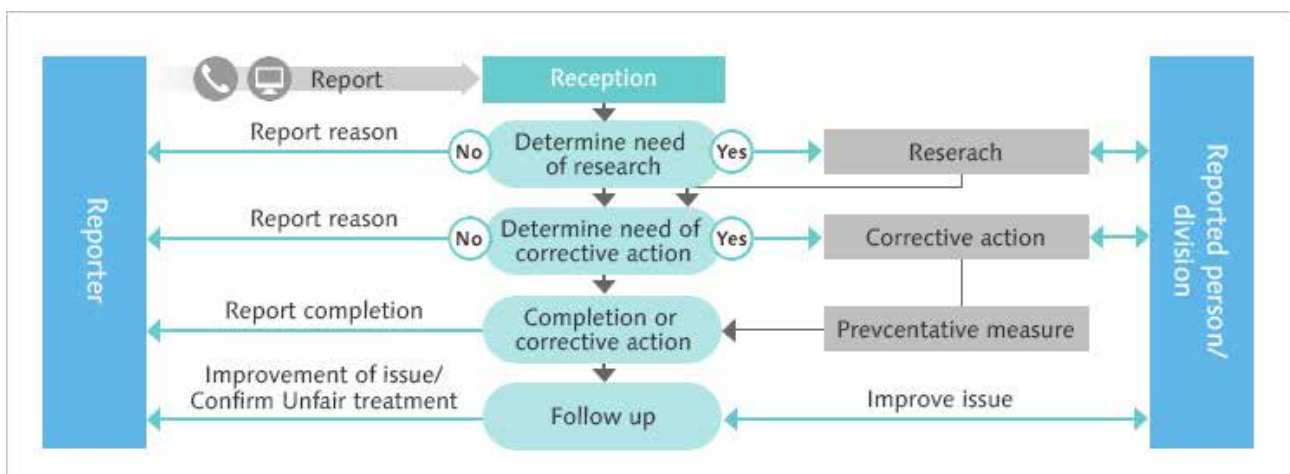


Compliance Hotline awareness poster

■Protecting People Who Report Issues

Simultaneously with establishing the hotline, the Suntory Group formulated the rules that prohibit disadvantageous treatment of employees who report issues. Furthermore, we have established an internal reporting system to thoroughly protect people who report an issue such as restricting unfair handling for not only the people who report an issue but also for people cooperating in investigations. We follow up with the person who reports an issue after the issue has been resolved.

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 relevant 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

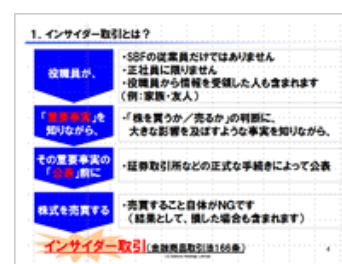
We put out periodic information on the Compliance Net internal intranet to promote and practice true compliance. We distribute information on the Compliance Net that includes activities and themes linked to activities which are being undertaken as well as information to understand the true nature of 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 their 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. Especially in 2020, we provided information on compliance issues occurring within the group and their countermeasures for educational activities that each group company plans and manages on their own according to issues, and also served as a facilitator in online training.

■Insider Trading Prevention Systems: Implementation and Communication

The Legal Department of the Risk Management Headquarters of Suntory Holdings 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. and Dynac Corp. are 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 Dealings 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 are in the process of creating the Suntory Group Common Action Guidelines that will indicate policy for practical actions and decisions that must be taken in the course of normal business relationships and situations that might arise on a daily basis. These guidelines are posted on the intranet so that all executives and employees at each Group company in Japan can refer to them.

■ 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 2020. Moreover, there were no reports on child or forced labor.

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 seminar in China

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. 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.). 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, we send out a questionnaire to all Suntory Group companies to determine business, environmental and social risks at each company that could significantly impact all our stakeholders in order to formulate countermeasures. 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.

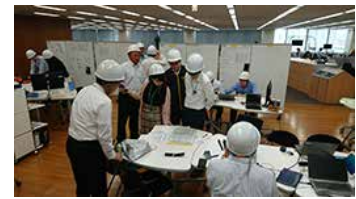
The plan we have formulated goes beyond manufacturing at Suntory Group plants to include raw material procurement and distribution as well as sales activities. We have taken steps to be able to decentralize our head office functions and infrastructure in an emergency and continue to strengthen our response 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

After a major disaster occurs, our first response procedures entail rapidly establishing a Response Task Force centered on the General Affairs Department of Suntory Holdings Limited, with Response Teams in each division placed under it. The Response Task Force handles all matters including confirming the safety and whereabouts of employees and their families, collection and coordination of disaster-related information, functional recovery of business offices, recovery of information systems, distribution of relief supplies, functional recovery of production, and provision of assistance to clients and the local community. These activities are conducted in line with each division's activity policy. These systems and procedures are made accessible on the Intranet so that employees can review them at any time. Since the Great East Japan Earthquake in 2011, we have revised our response manuals, further fortified our disaster relief stock pile and have strengthened our systems for when a disaster occurs.

■ 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 measures

We have set up a COVID-19 task force to ensure the safety of employees, which is our top priority, gather information on how the pandemic affects our supply chain and business performance, etc., facilitate quick-decision making, and take measures against COVID-19. Since we had created a system and an environment that enabled teleworking before the pandemic started, employees were able to shift to telework smoothly even when the pandemic spread. In addition, to protect safety and security of employees in the workplace, we are taking measures, such as placing thermometers, acrylic boards and disinfectants in various places.

■ Safety Management for People Sent Overseas

Dealing with the various risks to employees who are sent overseas is a challenge as globalization advances in recent years. In 2013, Suntory Holdings Ltd. launched a system that allows us to consistently understand the situation of people sent from Japan to overseas offices. Furthermore, since 2017 we have introduced an infrastructure system shared by the entire Group that can centrally manage overseas business trip arrangements, applications, and post-payment settlements, and established a system for confirming the safety of overseas business travelers within a short period of time.

In Group companies located in regions where malaria, tuberculosis, HIV/AIDS, and other infectious diseases are prevalent, we also strive to take measures to prevent employees working overseas, including employees on overseas business trips, from becoming infected by communicable diseases through efforts including awareness raising through the distribution of handbooks and other materials as well as by providing employees with opportunities to consult with industrial physicians about their health.

As of April 1, 2021, the Suntory group in principle prohibits the overseas business trip of employees in order to prevent them from being infected with COVID-19

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 SNS Risks

Individuals can now easily distribute information with the rise in popularity of SNS. However, we see the instances when negative information spreads widely through SNS and damages corporate value.

The Suntory Group is conducting activities to make employees more sensitive to SNS 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 SNS, discovering risks as early as possible, and launching response systems to lessen the SNS risks.



SNS 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 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 product sales promotion campaigns and customers using mail-order of health 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 sale 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 in communication management center in which access is strictly managed using the finger vein recognition system.



Finger Vein Recognition system

Initiative on Intellectual Property Rights

We are increasing the importance of intellectual assets each year by raising awareness about intellectual assets for society and introducing several measures through the government. The Suntory Group has established an Intellectual Property Department focused on patents as a division that supervises intellectual property as well as a Trademark Office focused on trademarks and corporate guidelines.

■Utilization of Intellectual Property

Suntory acquires and utilizes results of product and technological research and development as intellectual property and promotes activities to continuously provide highly value added products unique to Suntory Group. In addition, 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 closely with the site of research and development to avoid violating intellectual property owned by others. For example, upon adopting new technology, we survey if a patent is owned by others. Furthermore, when adopting a product name, we survey whether or not it is registered as a trade name and refer to the opinions of experts to decide whether the names are similar.

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 Overseas Group Companies



Activities of Overseas Group Companies



Suntory Beverage & Food Europe

Plans management strategy and administer soft drink business primarily in Europe



Suntory Beverage & Food Asia

Production and sales of Health Supplements, Drinks, Food and Coffee



Frucor Suntory

Production and sales of non-alcoholic beverages



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

Suntory Beverage & Food Europe

- Suntory Beverage & Food France
- Suntory Beverage & Food Great Britain and Ireland
- Suntory Beverage & Food Spain
- Suntory Beverage & Food EECM-BENELEX 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/>



Core brands including:
Schweppes*, Orangina,
Lucozade, Ribena, La Casera,
Oasis*, Pulco, MayTea, TriNa*
and Sunny D*

Suntory Beverage & Food France

Head Office 40-52 bd 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 Paseo de la Castellana 202, 28046 Madrid - SPAIN

EECM-Benelux

Head Office SIL, Media arena 5-6, 1114BC Amsterdam-Duivendrecht,
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

*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 drinks, our resources, our society and ourselves, 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 drinks Harmony with consumers

Through our drinks we make and sell we will create harmony with our consumers, building trust in what we produce and playing a positive role in their lives. We will be a progressive force in our industry, leading by example in reducing ingredients that consumers tell us they want less of, and promoting the good stuff that helps people live more healthily and happily.

Less Sugar

By 2025 it is our ambition to have reduced added sugar across our portfolio by 35%. We are making excellent progress and by the end of 2020 have already delivered a 22% reduction from our baseline set in 2015. As well as re-formulating our drinks to lower the sugar content we are also introducing new lower sugar, lower calorie drinks such as Lucozade Revive, a lightly sparkling, naturally flavoured fruit-based drink in the UK.

We also launched Oasis O'Verger a fruity water with recipes made up of more than 46% fruit for an authentic taste, spring water and just the sugar naturally present in fruits (no added sugar / less than 5g/100 ml) for ultra-refreshing pleasure.

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 and Ginger Ale. These drinks are widely distributed and are available in 98% of retail points.



In Benelux (Belgium, Netherlands and Luxembourg) we launched Oasis Aquafruit, a fruity water containing more than 40% fruits with 100% ingredients from natural origin, without added sugars or sweeteners.

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 2020, the total reduction of sugar was - 23% compared to 2006 on Oasis Tropical, our main recipe 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 7,2%, driven by launches of key flavors like Schweppes Tonic as Zero variants in the Nordics and increasing the share of zero variants in the European markets.



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 remove all artificial colours and flavours from our product portfolio within 5 years.**

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.

In the UK new Lucozade Revive is made with natural fruit flavours, contains no artificial colours, and contains vitamins B3, B5, B6 & B12 to help reduce tiredness.



Our resources

Harmony with nature

We manage our natural resources in a way that creates harmony with nature, never taking too much or damaging the world that we rely on in our lives and our business. We will minimise our environmental impact by applying our philosophy, Mizu To Ikiru, to the resources throughout all of our business activity: sourcing, manufacturing, packaging, distributing, selling and managing consumer waste.

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 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. A national TV and marketing campaign to consumers ran in 2020 and will run again in 2021 to showcase the brand's sustainability credentials.

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, which reached rPET content of 25% or even 50% already in 2019 and testing 100% sustainable material is in the pipeline. 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.

Supporting the recycling process also means encouraging our consumers to recycle more. Throughout 2020 our leading brands invested in marketing campaigns to convey these important sustainability messages. We also supported industry-wide efforts for mass-market public campaigns.

In the UK in 2020 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.

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 And MayTea bottles started using 50% recycled content in 2019 and will increase this by 2021.

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 2019, the UK announced that it would be funding an additional two years of Love Your Forest - our own anti-litter campaign centered around the Forest of Dean where our factory and many of our colleagues reside. This was in addition to launching a brand-new anti-littering toolkit designed to encourage other communities to adopt the campaign's most successful interventions. In 2020 the campaign was extended to encourage consumers to recycle more; a press event attended by the Forest's member of Parliament launched the campaign.

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 15% 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 10% as of 2019.

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. This project was originally due to start in 2020 but will now start in 2021 when Covid-19 restrictions are lifted.

Since the beginning of 2021, the Spanish team is working on "Guardians of Tajo", a new area of water quality improvement in Tajo river, around our factory in Toledo. Currently the project is focused on the research phase to detect the best area to be rehabilitated.



In France, we've signed 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 kids and 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 is 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.

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 25% from our production (scope 1&2) and 20% across our wider supply chain (scope 3). We are making good progress and we track our carbon footprint annually in order to ensure we are transparent in our reporting.

In France, fighting against global warming is one of our priorities. We have reduced our CO₂ emission by 35% per litre of drink produced over the last 10 years with the target to achieve carbon neutrality of its 4 factories by 2020. Transportation represent 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 2020 12% 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. It will reach 100% by 2021

All these improvements, has helped Spain to reach 15% CO₂ 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 CO₂ reduction goal.

And all of our employees can support our goal to tackle climate change. In Benelux the team has reduced its energy bill by 17.5%. This reduction is mainly due to the modification of the time slots for heating the building. In terms of lightning in 2019, we have reduced our bill by 13.5%, this reduction is largely due to the replacement of our neon lights in the building part by LED neon lights and the installation of presence detectors in the various toilets.

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. By the end of 2020 all of our main suppliers who supply our core ingredients will have completed a self-assessment questionnaire (SAQ), with additional SMETA audits conducted for any supplier that is flagged through the SAQ process. In 2020 we extended our supplier outreach to have greater visibility across the wider supply chain.

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.

Our society

Harmony with people

Shinjiro Torii founded Suntory with the spirit of 'sharing the profit with society', and this spirit lives on today. We want to create harmony with people by making a positive impact on the communities that produce and consume our products. We do this through the way we work, the social contributions we make, and the messages our brands promote.

Empowering communities

In France, we are partnering with different associations "Le Secours Populaire Français" acting against poverty and exclusion and "L'AFEV" fighting against school dropout.

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. Since 2018 B Active has:

- Seen 10,095 16-24-year olds sustain participation
- Helped 3,699 young people volunteer in their community
- Awarded 2,312 young people with accreditation

The programme is being independently evaluated by academics from Leeds Beckett University, and their findings will be available in Spring 2021.

In Morocco a considerable budget has been dedicated to make a difference locally through a collaboration with our partner LEMO and focusing on working with ENACTUS on "The Water Price", a project to increase awareness and mobilize students around issues related to water access and to preserve the groundwater. Due to the Covid-19 pandemic work was postponed in 2020 and will resume in 2021. They're challenged to develop innovative and high impact solutions, the most promising solutions are then sponsored to be implemented, giving the students a chance to set up a profitable business.

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 Coach Project**, a corporate volunteering initiative aimed at guiding and motivating socially vulnerable youth who have dropped out of school, organized by Exit Foundation. This forms a part of our core sustainability strategy to build closer connections with our communities and to give back to society.

Purposeful brands

We bring Growing for Good to life through the power of our brands.

In the UK we have been celebrating inclusivity with Lucozade Sport. The brand was the first soft-drinks company to become a sponsor of the England Women's International football team 'The Lionesses' and celebrated this by producing limited edition bottles featuring members of the team. A new TV advertisement featuring the women's team was produced with the brand committing the same level of advertising investment usually reserved for campaigns supporting the male game. This proud support of equality in sport was marked with the brand's work being nominated for several marketing and sports industry awards.

Ourselves 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.



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 will be adopted by our local markets throughout 2021.

Diversity and Inclusivity

We know that diversity and inclusion (D&I) is a hugely important issue, and one that many people throughout our organisation care deeply about.

D&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 D&I - because we know that as an organisation there is much more we can and should do. 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.

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.

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 2020 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.

Suntory Beverage & Food Asia

- BRAND'S Suntory
- Suntory PepsiCo Vietnam Beverage
- Suntory PepsiCo Beverage Thailand
- Suntory Garuda Group

Head Office	18 Cross Street, #12-01/08, Cross Street Exchange, Singapore 048423
Established	Established SBFA, 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
Website	https://suntorybeverageandfoodasia.com/



Primary Sustainable Practices

■ Sustainability Management

SBFA's sustainability strategy

At SBFA, 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.

SBFA believes in fostering valuable relationships with consumers, partners, employees and communities to achieve a sustainable balance between People, Planet & Profit.

Code of Ethical Conduct

SBFA 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

SBFA 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 SBFA'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.

To Create Harmony with Customers and Partners -Products and Services-

■ Relations with Customers

Keeping Customers Safe

BRAND'S Suntory Thailand (BSTL) partnered with Thai Highway Police on the "Don't Drive Drowsy, Rest and Drink BRAND'S" campaign for more than 12 years with an aim to help reduce car accidents during the year-end festive season. It is a peak period where many Thais travel home from Bangkok and have to be on the road for long hours to reach their respective provinces. There are also many who are driving to other parts of Thailand to enjoy their long holiday. Unfortunately, these led to many unfortunate car accidents. In a bid to help drivers stay alert and be more aware of their surroundings when they are behind the wheel, BSTL has been distributing BRAND'S Essence of Chicken to the provincial highway police stations and their respective checkpoints during the festive period. When drivers experience tiredness while they are on the road, they are encouraged to make a stopover at the checkpoints, do some stretching to relax and drink a bottle of BRAND'S Essence of Chicken, which are readily available at these checkpoints and retail stores in partner gas stations. BSTL is proud to be a part of a meaningful initiative to build awareness for safe driving and help keep our roads safer.



Customer Intimacy Goes Digital

The way people communicate and speak to one another has changed vastly in recent years. This has prompted us to adopt a fresh look at the way we interact with customers, as well as in the way we market our brand and products. We are gradually moving from traditional media-led campaigns to focus more on digital marketing channels in order to reach out to a new generation of customers who are constantly connected.

We are excited by the prospects of how digital convergence can help propel us further in our quest to be closer to consumers. We will continue to seize the opportunities to transform the way we interact with our consumers by opening up data access and analysis, using the power of digital technology to keep ahead in today's consumers' lifestyles. Leveraging on the strength of our digital marketing capabilities, we will continue to engage customers while maintaining relevance to their lives. This will build brand loyalty and drive sustainable business growth.



Customers wowed by the first-ever 3D Augmented Reality Interactive games

Relations with Business Partners

As SBFA progresses in its CSR journey, it is our intention to work with our business partners to ensure that they fulfill their social responsibilities with regard to human rights, labor standards, environmental sustainability and other issues. This will help to ensure not only that SBFA's business processes are sustainable, but also that our business partners' processes are sustainable. A regional purchasing policy was also developed and applied, ensuring that business units have a fixed set of guidelines to abide by in terms of purchasing transactions and selecting vendors.

To Create Harmony with Nature -Environment-

■ Environmental Efforts

International Certifications

SBFA has twenty-two plants in twelve countries, and most have attained ISO14001 (environmental management systems) and ISO22000 (Food Safety Management System) certification. Particularly for our newest plants built in Vietnam, Thailand and Malaysia, environmentally friendly mechanisms were incorporated from the design stage and are utilized in the plants' operation. We are currently in the process of obtaining ISO14001, OHSAS18001 (Occupational Health and Safety Management Systems) certifications for all of our operations in Asia. Our goal is to continue with good environmental management and making continuous improvements in the future.

Sustainable Operations at Our Environmentally Friendly Plants

The latest plant in Vietnam was opened in June 2017, designed with a 2E philosophy - Environmental Friendly and Employee Motivation. In terms of environmental friendliness, the plant sets a new benchmark for waste water treatment, where at least 70% of the water used in production is treated before being discharged. Apart from using LED lighting for the entire factory, the hot water systems in the locker rooms and canteen are also powered by solar energy. Additionally, the plant design has also taken employees' needs into consideration, where a modern and professional workspace was created to enable effective communications and enhance efficiency. The plant also boasts a central library fitted with technical documents and soft skills books where employees can tuck themselves in the reading corners during their break times.

Two other plants in Thailand and Malaysia, which opened in 2010, were designed to be environmentally friendly and energy efficient. Some of their features include solar cells, energy efficient lighting, natural lighting, low-energy utility systems for boiler and cooler management, and reuse of production line water for sanitary systems. These plants meet international standards, including GMP (process design), ISO9001 (quality management systems), and ISO14001 as well as ISO22000 (Food Safety management system). Our Thai plant has also received OHSAS 18001 certification. We at SBFA pledge to continue working toward reducing our environmental impact and to grow with local communities for a sustainable future.



Our new plant in Quang Nam Province, Vietnam



Bird's Nest bottling in one of our Thailand plants

Developing the Next Generation Through Lessons from Nature

BRAND'S® Junior team in Thailand teamed up with the Environmental Education Centre (EEC) Thailand to organize a camping program with the aim to promote awareness of nature and environment through science. With practices and experiments, the young participants were guided to explore nature. The program involved water conservation activities where participants were taught how to observe invertebrates to determine water quality, and went on an adventure trail to learn about various vegetation and animals who call the forest their home. They also took part in a field study on water resource management. The camp not only embraced Suntory's Sustainable Water Philosophy, but also helped pave the way for children to achieve holistic development including problem solving and confidence building.

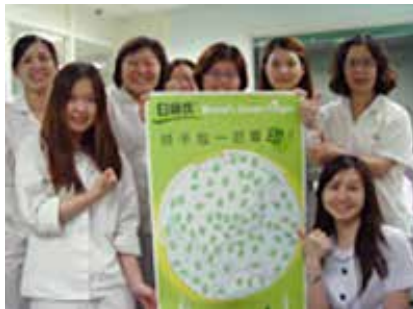


Children took part in water conservation activities at the camp

Waste Reduction Program

SBFA's HQ in Singapore introduced its waste reduction and recycling program in 2010 and has successfully recycled more than 10.4 tonnes of paper and 2.97 tonnes of glass. On the 5th year anniversary of the establishment of the SBFA Recycling Initiative, we further improved our environmental efforts in the office with the rededication of our office recycling initiative. A new segregated waste system, consisting of 3 categories - Paper, Plastic and Glass, has been introduced. Newly designed, colour-coded signs are attached to the bins for easy identification and segregation. 2030kg of paper, plastic and glass were recycled since the rededication of the program in Q4 2015.

Following the successful introduction of waste reduction and recycling programs in our Singapore office, we have extended the program to Taiwan. All Taiwan staff are encouraged to adopt a green lifestyle starting from their daily activities, such as unplugging of switches, printing on double sides, adjusting the temperature of air-conditioners and many more. The message was to get every staff to understand that they can make a difference to the environment and Earth through small combined efforts and all these can be achieved through the lifting of a finger. The program has been very successful and staff also receives monthly green tips to remind them to continue doing their part for the environment.



To Create Harmony with Society -Cultural and Social Contribution-

■ Relations with the Local Community

Contributions Rooted in the Local Community

Contributing to the local community is an important success factor for SBFA. To succeed as a company that is socially trusted, we are always looking for innovative and meaningful ways to contribute to a better life for our employees, their families, and those who are less fortunate. We contribute in a wide range of fields including health, education, sports, and the arts.

Supporting Local Causes

BRAND'S Suntory Thailand encouraged the citizens of Thailand to support the Children Cancer Foundation, which was established by the Quality Mother Foundation under the patronage of Her Royal Highness Princess Soamsawali, at BRAND'S® Bird'S Nest Mother's Day campaign. This campaign encourages everyone to donate directly to the Children Cancer Fund - this reflects an understanding that children are the future of the nation and should be given every opportunity to receive treatments, recover fully, and lead a normal life. BRAND'S® also produced a television commercial that tells the story of a girl who battled with leukemia and her mother who donated her bone marrow to her.

Letting Dreams Take Flight - BRAND'S Suntory Helps Taiwanese Children Unlock Potential

BRAND'S Suntory Taiwan launched its "Unlocking Potential" initiative, which comprises a two-pronged approach: a school-based "Potential of Creativity" program and a nationwide "Hope in a Bottle" program. The goal of the initiative is to make a positive difference in the lives of some of Taiwan's most overlooked but deserving children, helping them to unlock their physical, emotional and intellectual potential, and achieve their dreams.

The Potential of Creativity program brings arts and creativity focused curriculums to needy and academically underachieving schools in Taiwan. Staff volunteers also join students, on a weekly basis, for day-long creativity programs that explore local and culturally relevant colors, motifs and architectural styles, integrating these local themes into individual student art projects and large-scale community art projects.

The Hope in a Bottle program is a nationwide program that encourages individuals or groups of students to "dream big", asking them to submit proposals describing their plans to make a meaningful impact in their communities. BRAND'S Suntory Taiwan provided grants and guidance from BRAND'S Suntory's Hope Coaches and Hope Team volunteers help students from winning teams make their projects and dreams a success.

By focusing on the needs of the next generation, the initiative demonstrates our long-term commitment to creating sustainable and thriving communities in Taiwan.



Participants of the Hope in a Bottle program

Exemplary CSR

SBFA's CSR activities have an excellent reputation in Asia. We recently received accolade which was the Excellent Stakeholder and Partnership Award from the Health Sciences Authority of Singapore. SBFA was also awarded the Leading HR Practices Award in Corporate Social Responsibility from the Singapore Human Resource Institute.

SBFA has developed a close partnership with United Nations Global Compact Network Singapore (GCNS) and their local networks in Asia. SBFA has slowly established itself as a thought leader in CSR and featured prominently in the annual summits organized by GCNS. Most recently, SBFA was invited to speak at a panel in ASEAN CSR Network's Regional Business Integrity Conference, further reiterating our status as good corporate citizens in Asia.

SBFA released its inaugural sustainability report in 2015, which broadly describes the activities which the group has participated in recent years, as well as the efforts taken by the group on the path to a sustainable organization. Cerebos (now known as BRAND'S Suntory Asia) was acknowledged as one of the finalists for Asia's Best First Time Sustainability Report in the Asia Sustainability Reporting Awards 2015.



Developing CSR Activities Region Wide

In November 2016, SBFA conducted their first ever group charity sales drive around the region. With SBFA HQ in Singapore leading the pack, other subsidiary business units in the region have also conducted their respective Charity Sales events to contribute to their local communities. Offices in Hong Kong, Indonesia, Malaysia, Taiwan, Thailand and Vietnam have adopted their own charitable organizations which ranged from various children's causes to food banks in line with our corporate vision of "Growing for Good".

SBFA is involved in long-term volunteer activities, such as the BRAND'S® Summer Camp in Thailand (supporting over 50,000 students for their college entrance exams for more than 25 years). This initiative has since spread to Yangon, capital of Myanmar as BRAND'S® Brain Study Camp in 2014, and has helped students achieve distinctions in their matriculation examinations. Additionally, colleagues in Singapore celebrated Christmas in a meaningful way by inviting 100 needy children to join in their Christmas Party and have their Christmas wishes fulfilled. In addition to buying gifts for the children, staff and the children attending shared in the Christmas spirit with special programs and activities. Finally, staff volunteers took part in the large-scale cooking and delivery of 4,000 meal packets for less-privileged households in Singapore.



BRAND'S® Summer Camp in Thailand



SBFA Christmas Party with children from The Straits Times School Pocket Money Fund



SBFA colleagues participate in Willing Hearts event to cook and deliver lunch for the needy



BRAND'S® Brain Study Camp in Myanmar

BRAND'S Suntory Taiwan launched the "Charity Health Check-up and Healthy Diet Education" program in 2017 by funding 5 groups of medical care services organized by medical students. 500 disadvantaged children from the remote countryside benefited from the program through health check-ups and medical inquiry services. Employees also volunteered to educate the children on the importance of a healthy diet and provided BRAND'S® Essence of Chicken as a nutritional aide.



Children from remote areas benefits from BRAND'S Suntory Taiwan's initiative

Other Activities

-Singapore

BRAND'S® partnered with World Vision International, a NGO that offer development aid and emergency humanitarian support, on a "Drink BRAND'S® Essence of Chicken and Donate" charity drive during the BRAND'S® Funival. Shoppers were encouraged to purchase a bottle of BRAND'S® Essence of Chicken at S\$1 and to drink on the spot for a good cause. More than S\$2,000 was raised and donated to fund the training and exposure of World Vision's youth ambassadors who will be actively involved in advocating and raising awareness on global poverty issues affecting vulnerable children.



BRAND'S® cap collection raises funds for World Vision International

-Malaysia

The Smart Achievers Campaign in Malaysia rewards students who excel in both studies and co-curricular activities. We also organized a Charity Warehouse Sales, as well as a BRAND'S® 14 Day Campaign roadshow to encourage the public to donate and aid in disaster relief efforts.

The STSPMF Corporate Charity and ChildAid Asia Concerts

SBFA has worked with the Straits Times School Pocket Money Fund (STSPMF), a charity fund, since it was established in 2000. The STSPMF seeks to increase public awareness that many low-income families must send their children to school without the necessary school supplies. The STSPMF provides about 11,000 children annually with financial assistance for school meals, bus commutes, and school supplies. The amount of financial support has reached more than 140,000 students, disbursing approximately SGD 5.2 million as of 2015.



SBFA has supported ChildAid since 2005.

SBFA is also a long-time supporter of ChildAid, which is one of Singapore's biggest annual children's charity concerts organized by The Straits Times and The Business Times since 2005. It is in aid of STSPMF and The Business Times Budding Artists Fund, which provides them with structured arts training and the opportunity to develop their artistic talents. The success of ChildAid also inspired similar concerts in Asia, namely Tokyo, Kuala Lumpur and Jakarta, where children raise funds for less privileged children through musical and dance performances. SBFA is also proud to be a major supporter of affiliated ChildAid concerts in the region, and has helped numerous children develop their artistic talent.

■ World Vision International

BRAND'S® focused on "Making a Positive Difference" in all its markets across Asia by helping under-privileged children. To do this, it partnered with World Vision International to raise S\$180,000 and sponsored 180 children regionally. All funds raised was channeled to the respective local World Vision beneficiaries. Depending on each community's needs, a sponsored child - and his or her community - benefitted from clean water, better education through sponsorship of school fees and supplies, better equipped schools and teacher training, improved nutrition, as well as health care.



SBFA employees with World Vision beneficiaries in Bo Kluea, Thailand

Covid-19 Support for the Local Communities

SBFA also contributed extensively to support the respective local communities in their fight against Covid-19.

BRAND'S Suntory Thailand has provided more than 7,000 bottles of BRAND'S® Essence of Chicken to hospitals in Bangkok and Chonburi province for medical professionals working in the frontline. BRAND'S Suntory Thailand has also delivered more than 30,000 bottles of BRAND'S® Essence of Chicken to the Honorable Prime Minister of Thailand to distribute to more than 900 Covid-19 check points around the country to support the government officers and volunteers working in the frontline.



BRAND'S Suntory Thailand's donation to Hon. PM of Thailand

BRAND'S Suntory Taiwan has donated tens of thousands of bottles of BRAND'S® Essence of Chicken to medical and healthcare professionals, central and local authorities, transportation industry and quarantine hotels to help boost their immunity in fighting against the virus. BRAND'S Suntory Hong Kong has also donated more than 3,000 bottles of BRAND'S® Essence of Chicken to hospitals and clinics in support of medical and healthcare professionals.

BRAND'S Suntory Myanmar has been donating numbers of cartons of BRAND'S® Essence of Chicken and BRAND'S® Bird's Nest as well as thousands of surgical masks and hand sanitizers to hospitals and quarantine centers in Yangon, Mandalay, and Ho Pone for those being quarantined as well as medical and health care professionals and volunteers working in the frontline.

SBFA HQ in Singapore also conducted a virtual Charity Auction to raise SGD25,500 for Lee Ah Mooi Old Age Home, the first nursing home in Singapore impacted by Covid-19. With an outpouring of support from the management and employees, a total of SGD20,500 was raised. SBFA donated another SGD5,000 to reach a total of SGD25,500.

To Create Harmony with Employees -Diversity Management-

■ Relations with Employees

We believe that all businesses require talent to grow. SBFA demands spirited leadership at all levels, and aims to be the most exciting company, the best learning organization, the most engaged company and the best paid company. Product Innovation, Research & Development, and Customer Intimacy (through digital innovation) will help to drive this vision. With consistent efforts put in to ensure the vision was achieved,

SBFA has also developed a Grow from Within (GfW) strategy, which will help achieve this vision by recognizing and unlocking the potential of SBFA employees, empowering them to make strategic decisions to propel SBFA's growth. In line with this goal, GfW comprises key initiatives to challenge and empower talent within SBFA.

Developing People - Heart of Performance

A fundamental part of the GfW strategy, this initiative aims to equip all supervisory SBFA staff with the skills to groom leaders from within, using a coaching approach that targets both heart and mind. SBFA leaders recognize which skills need to be groomed in our managers. The program will give them the further toolsets needed to coach these skills. Specifically designed to support line managers and senior and top management in achieving more effective, honest and challenging conversations, the "Heart of Performance" initiative will build a coaching culture to support performance and leadership development.

Developing People - SBFA Leadership Development Program (LDP)

The LDP focuses on middle management, who are our future leaders and growth champions. These members will be instrumental in building sustainable business for SBFA. The program includes a partnership with the prestigious National University of Singapore (Quacquarelli Symonds World University Ranking system has ranked NUS as the top university in Asia for 2019). This partnership allows us to customize a leadership development program for leaders that spans five months. Leadership competencies and strategic priorities form the cornerstone of the LDP. The LDP also ensures that learning is meaningful and relevant to participants.

Developing People - SBFA Supply Chain Leadership Development

Recognizing that Supply Chain is an important part of our business, SBFA started working together with Singapore Management University in 2018 to customize a 5-day intensive Supply Chain Leadership Development program for participants to learn about supply chain topics like risk management, sustainability, data analytics and digitization. Participants from the region were asked to design Suntory's Supply Chain strategy for the next 10 years, and also work as a team on actual projects, in which their proposals were presented to Senior Management in a day-long Pressure Cooker Challenge. The program addresses challenges and opportunities in SBFA's supply chain and aims to identify the next generation of Supply Chain leaders in SBFA.

Promoting Suntory's Philosophy

SBFA has also been actively promoting Suntory's Philosophy by localizing the Suntory Ambassador Program for the region. For instance, Suntory Beverage & Food Malaysia (SBFM) and BRAND'S Suntory Malaysia (BSMY) came together to attend the Suntory Ambassador Program, the first of its kind held in Malaysia. Jointly organised by the HR teams in SBFA, SBFM, BSMY and supported by Suntory University, participants were inducted into Suntory's Founding Spirits and also learned about the spirit of One Suntory.



One Suntory Ambassador Program in Malaysia

Supporting Employees' Personal and Professional Growth

SBFA supports our employees' personal and professional growth because we feel this is the best way not only to create value but also to attain our vision of becoming the leading health enrichment and food enterprise in the Asia Pacific region.

Over the years, the company has established platforms and mechanisms to connect with and listen to employees. SBFA conducts employee engagement surveys, bi-annual Town Hall Meetings and management dialogues. In all the platforms, employees have the opportunity to raise questions and share their thoughts on any issues they are concerned with. Opportunities such as these allow employees to be up close and personal with members of the leadership team, and go a long way toward engaging and motivating employees.

Supporting Employee Volunteerism

SBFA's employees incorporate contributions to society and elements of our sustainability strategy into all aspects of their workplace and their lifestyles. We established a Quality Work-life Committee in which representatives from each department plans innovative and interesting activities that meet the varied interests of our employees. These include many community involvement and volunteerism activities such as helping out in soup kitchens and buying school books and stationery for needy children.

SBFA also provides its employees with opportunity to donate their time. In Singapore, employees are able to use their Volunteer Leave to contribute time to any charitable organization.

Contributing to Society Through Healthy Activities

In 2019, as part of the Global One Suntory Walk event spearheaded by Suntory Holdings, SBFA partnered with Beam Suntory International and Suntory F&B International to organize a One Suntory Active Day in Singapore. This is the 1st time the 3 companies came together for an event where every step they take will contribute to a positive impact for the environment as One Suntory.



In 2015, BRAND'S Suntory Asia makes the Top 50 list for Outstanding Work-Life Strategies in a book published by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP). Progressive workplace practices have enabled a wider pool of employees to contribute productively to their workplaces, while maintaining a healthy, active, and balanced personal life. s BRAND'S Suntory Asia was featured in the "Play" section of the book, which focuses on organizations that have encouraged their staff to get actively involved in recreational activities or volunteer work.

BRAND'S Suntory Asia also won the Best Company for Mums SG50 Special Award organized by the National Trades Union Congress (NTUC), Women's Development Secretariat (WDS), and Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP). This exclusive award gives recognition to companies who have developed exemplary flexible work-life benefits -beyond statutory requirements- to support their employees at various stages of their lives and careers.

PT SUNTORY GARUDA BEVERAGE

Head Office	South Quarter Tower C, 3rd floor. Jalan R.A. Kartini Kav.8. Cilandak Barat. Jakarta Selatan 12430. Indonesia
Established	July 2011
Business activities	Production and sales of non-alcoholic beverages



Growing for Good - sustainable growth with purpose

We will grow to become a company that always benefits community. By doing good things for society and the environment, we will help make a better, brighter future



Harmony with Consumers

■ Provide safe, reliable and high-quality products.

Okky is a playful ready-to-drink (RTD) for active youth to keep the fun going on. Okky Jelly Drink contains the goodness of natural ingredients from local Indonesian seaweed, and comes with a delicious and refreshing fruity taste, coupled with chewable Nata De Coco for an exciting sensation. Okky used only selected jelly powder and nata de coco, both natural ingredients that must be carefully sourced. The quality of both ingredients is affected by the weather and season, so they require careful handling during the storage and cooking process to maintain consistency of quality, texture and taste. Every Okky cup passes through SGB's rigorous quality-control processes.

Mountea is a pioneer of ready-to-drink tea in cups launched in 2005 in Indonesia. All variants of Mountea made from the perfect blend of special natural tea and refreshing fruit flavor, bring a premium experience in every cup. Suntory Garuda Beverage (SGB) launched Mountea Big Teh Manis in 2017. Featuring the flavor of home-made tea and using no artificial sweeteners, Mountea Big Teh Manis delights consumers with an authentic tea taste and just right sweetness. With trendy design & transparent cup, Mountea is more reliable. Mountea, tea with a special touch.

In order to become really "my tea" for Indonesian people, revived in 2019, the new MyTea Teh Poci makes use of the calming authenticity and familiarity of teapots. It is made only from a rich amount of selected real oolong tea leaves, processed through the poci extraction system at the perfect temperature, resulting in a rich tea aroma with a bold taste and clear aftertaste. In 2021, MyTea Plus launched with a refreshing and delicious taste, contains OTPP, a natural ingredient extracted from oolong tea leaves that assists in the suppression of fat absorption.

Good Mood is water + natural goodness manufactured by Suntory Garuda Beverage using Japanese Suntory technology. Adding an infusion of fruit and natural ingredients to clear water gives a burst of flavor to brighten your mood. Good Mood uses no preservatives, no artificial colors or sweeteners.

■ Innovation: Pursue cost efficiency in entire value chain, optimized and innovate production.

With the spirit of Kaizen (continuous improvement), SGB launched Gemba Kaizen to be implemented across all functions in the factory, focused on cost saving and efficiency by eliminating WASTE and developing basic behavior of Lean thinking in all our employees, with the LENS of the Customer Perspective and Productivity.



Gemba Kaizen are Japanese concepts designed for enhancing processes and eliminating WASTE, thus become a great model for sustainability enhancement

One of engagement in Gemba Kaizen called Pizza Games emphasizes importance of a deep dive into the respective value streams to enable corrective actions

■ Fun and refreshing: Create new value with unique, premium, natural and healthy products.

With temperatures hovering at tropical levels all year round, it is perhaps unsurprising that the Indonesian beverage market is made up of nearly 50% bottled water. Younger Indonesians are increasingly experimenting with flavored waters, which provide essential hydration for the body and are complemented by natural fruit flavors. In 2016, Suntory Garuda Beverages (SGB) identified this as a key market trend and began developing Good Mood, now Indonesia's leading flavored bottled water, utilizing technology and expertise from Suntory in Japan.



Available in lemon and honey, strawberry, blackcurrant and yoghurt flavors, Good Mood contains no preservatives, artificial colors or sweeteners, making it a more natural alternative to most other soft drinks. Good Mood is packaged in an easy-to-grip PET bottle that appeals to consumers on the go.

Good Mood reflects Suntory's tradition to develop new beverage products that creating new lifestyles around beverage consumption

Harmony with Nature

- Less and better packaging
- Less waste
- Respect and conserve water

■ Less and better packaging: World's lightest hot-fill PET bottles

Nitro-Hot Fill (NHF) is advanced technology implemented in the Suntory Group with SGB as the first business unit to do so in the PET Bottle production process. NHF reduces plastic load from 23 grams to 17 grams making SGB PET bottles for MyTea and Good Mood products become the lightest hot-fill PET bottles in the world. NHF maintains products quality, while keep packaging remains environment-friendly because it is light and can be easily recycled.



Good Mood is official beverage on the launch of Clean Indonesia Movement

■ Less waste: Education on Waste Management

Supported by the local government, since 2019 SGB developed *Mizuiku* module and share education on waste management as our efforts to keep the water clean. When sorted and collected, plastic waste has a used value and can be recycled so it does not pollute the environment. SGB provides schools with special plastic waste drop boxes and coordinates the collection of plastic waste with periodic pickups. This initiative provides tangible support for the Government's program to maximize waste banks, especially those in the school environment.

To manage organic waste, SGB invites children to make biopore holes in the school yard by providing training and assistance led by the founder of biopore holes, Professor Kamir R. Brata.



Children learn to segregate plastic waste and put into the drop box



Children teach to create biopore holes at school yard

■ Respect and conserve water

Production process at SGB begins by select and purify clean water. Water is taken through a standardized process from the best clean water sources. In our mission to protect and conserve water, SGB conducted systematic review of Water Sustainability and Vulnerability Assessment (SVA) by appoint a hydrogeologist from one of well-known university in Indonesia, in eight areas in Indonesia where SGB production facilities operate. SVA produces accurate data on upstream or water catchment areas. This area is very important to be protected and conserved for water sustainability, through planting trees or building conservation ponds.

Internally, SGB are consistently working on wastewater treatment equipment in our manufacturing facility to ensure that it meets the environmental standard and safe to release back to environment. In addition to choosing and modifying equipment with lower water consumption, SGB is implementing a water reuse and reduction plan



Every SGB Factory is equipped with wastewater treatment plant

Harmony with Society

Support and empowering communities
Purposeful brands
Develop young talent

■ Support and empowering communities

SGB shares the same mission as Suntory, our parent company, "To Create Harmony with People and Nature" as well as Suntory's founding spirit of "Giving Back to Society" and considers it our great mission to hand down a sustainable society to the next generation.

In a state of sorrow where natural disasters strike such as earthquake, tsunami or floods, SGB joined hands with NGO like Save the Children or Indonesian Red Cross and also Government institution to support the victims in the form of Suntory products, educational scholarships, trauma healing class, medical treatment and also infrastructure such as Suntory Temporary Learning Space (TLS) built in Palu and managed to give a smile to at least 150 children aged 6-12 years who can return to study. We hope that these provisions will bring some levels of comfort during this difficult time.

Amidst COVID19 pandemic, SGB supports medical personnel by providing 2000 PPE sets. Join in Large Scale Social Collaboration, SGB also distribute products to impacted community and also journalists community. We can get through these difficult times only if we all work together hand in hand.



The Head of the Education Office and the School Principal in their remarks expressed gratitude and appreciation for the support from Suntory for children's education in Palu



Free Health Services to Support impacted community in Lebak after flood



Good Mood products for divers at the SJ182 evacuation and search post



Handover PPE sets to Indonesian Doctors Association



Support Large Scale Social Collaboration during pandemic



Trauma Healing class for children at refugees post at South Kalimantan

■ Purposeful brand: *Mizuiku* water education

As a proud member of the Suntory Group, SGB places importance on sustainability of water, which is the source of our business as well as a precious resource supporting human life.

In February 2019, SGB start pilot program of Suntory "*Mizuiku*" which teaches younger generations the importance of clean water and conserving water resources. Since launched in 2019, *Mizuiku* has been shared to more than 6500 children and 1200 guru in six areas in Indonesia including Gowa (South Sulawesi), Banjarbaru (South Kalimantan), Tangerang (Banten), Sidoarjo (East Java) and DKI Jakarta.

In 2021, in honor of Earth Day and National Education Day, SGB signed a new partnership agreement with The Ministry of Environment & Forestry (KLHK) of the Republic of Indonesia. This three-year partnership focuses on teaching the next generation about water conservation in schools, organizations, and surrounding communities.



Mizuiku program is unique to Suntory and was designed to help the next generation to realize not just the beauty of nature and importance of water, but also to think about what they can do to preserve our water resources for the future. The *Mizuiku* module includes learning carried out both indoors and outdoors to give students the opportunity to explore all aspects of clean water conservation. *Mizuiku* also covers simple practices on how to preserve clean water, such as through reforestation, water filtration and the use of biopores.

<*Mizuiku* Indonesia>



Mizuiku launched in 2019 in Indonesia

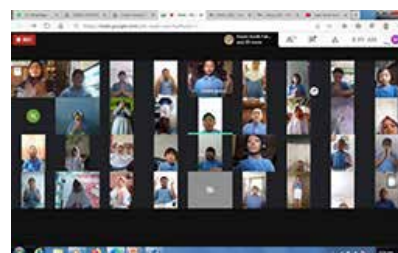


Mizuiku train-the-trainer class for principals and teachers



Mizuiku teaches children about water cycle

<*Mizuiku* Online>



Mizuiku online class held during pandemic

■ Develop young talent: OKKY Youth Soccer League, Factory Visit and Career Talk

OKKY Youth Soccer League (OYSL) was initiated by the OKKY brand together with the Indonesian Junior Soccer League (IJSL) aimed to develop Indonesian children's soccer talent. OYSL always puts forward the importance of having games with fun and sportivity. More than being champions, children can make friends and play freely so they can show their best performance.

OYSL 2017 is held in Jabodetabek, OYSL 2018 expands its coverage to 6 major cities in Java, so that the number of participating teams increases to 250 teams and wins 1st place in the 2018 Singa Cup. With enthusiasm and excitement, in 2019 for the second time the OKKY Youth Soccer Team successfully defended the 2019 Singa Cup (Singapore International Youth Cup) title

Positive contributions through OYSL are expected to be able to make Indonesian children "Not only become children who are reliable, smart and have good character but continue to grow in a cheerful and happy atmosphere" so that in the future it is expected that Okky will be the player contributor to the Indonesian national team. The support that is always provided by the Ministry of Youth and Sports strengthens the commitment of PT. Suntory Garuda Beverage to continue to carry out programs and concrete actions for the development of Indonesian football.



SGB also opens opportunities for elementary to high school students as well as from universities to visit SGB production sites. They can learn and see directly on how their favorite products are made and how quality and environmental sustainability are being prioritize at SGB. In addition, collaborate with several well-known universities in Jakarta, we were honored to contribute to the growth of Indonesian future leaders through the University Relations Program (URP) and talk about careers, business trends and personal development.

Supporting schools learning program during pandemic, SGB also initiate Virtual Factory Visit (VfV) so children can still experience beverage production process while understand the importance of preserving water and also enjoy playing with their friends in team on virtual platform.



Online Career Talk with one of well-known university in Indonesia

SGB Factory Visit



SGB Virtual Factory Visit

Harmony with Employees

■ Respect diversity

At Suntory Garuda Beverage (SGB) in Indonesia, around 90% of employees are Muslims. During the Ramadan (fasting period for Muslims), in order to support the Muslim employees who are fast from sunrise to sunset, we implemented flexible working hours on a company-wide basis. We advanced work starting time as well as shortening lunch break, making it possible for employees to leave the office by 4:30 pm while maintaining the length of eight working hours. Even considering the traffic caused by commuters rushing home, this is made possible for everyone to be at home with their families by 6:00 p.m. when the fasting period finishes. In addition, we also hold joint iftar (breakfasting) activities, both for employees who work at headquarters and at production sites. Breakfasting gathering is more than just a chance for employees to gather, it creates harmonious, more focused and engaged teams.



Corporate Breakfasting at SGB

■ Fun and appreciation

At SGB we work together with commitment, but we also don't forget to have fun and stay healthy. The company provides a variety of sports class choices such as futsal, basketball, badminton or gym and provides seminars and opportunities for regular health checks. Health talks enable our employees to learn about their health risks and adopt active / healthier lifestyle. We believe that health is the main factor that enables us to run to our vision.



SGB employees training and development enables a highly skilled workforce. From inspiring corner that share about leadership and success journey of many outstanding CEO to smartphone photography workshop, learning composting organic waste and fun vlog competition on how to save water and environment, SGB Employee Corner inspire employee engagement and experience. In 2020, SGB launch SABA Online Learning Platform that allows our employees (fondly known as Suntorians) to access learning and development anytime and anywhere. We are committed to support and cultivate the creative potential of our employees as together we expand our business and address today's most pressing business challenge.



BAK or Town Hall held virtual for HO and Team from all Factories in SGB



Coffee with CEO



Empowerment class "The Great Shifting" to ride the wave of disruption

In SGB, we recognize and awarding our employee and team that have shown consistent excellence performance, contribution to the category set-forth. More than that, we also appreciate the talents and interests of every employee. SGB Got Talent surprisingly presents the extraordinary talent of all employees, from dancing, singing to other unique performances such as regional cultural attractions, modern beatboxes to interesting drama plays.



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All employees together doing gymnastics



Virtual Musical Performance by SGB Suntorian with Health Protocol applied to celebrate SGB anniversary



Winner of SGB Got Talent perform Asmaradana traditional dance

Suntory PepsiCo Vietnam Beverage Co., Ltd.

Head Office	Sheraton Saigon Hotel & Towers, 88 Dong Khoi Street, Ben Nghe Ward, District 1 Ho Chi Minh City, Vietnam
Business activities	Production and sales of non-alcoholic beverages
Website	https://www.suntorypepsico.vn/en



Company Overview

Suntory PepsiCo Vietnam Beverage Company (SPVB), is 100% owned by foreign capital, and is a strategic alliance between PepsiCo Inc. and Suntory Holdings Limited, which was officially formed in April 2013. Our headquarters is located on the 5th Floor, Sheraton Hotel, 88 Dong Khoi Street, District 1, Ho Chi Minh City. Our corporate values are "Yatte Minahare" and "Giving back to society". In the future, we will continue to pursue sustainable development objectives, bring benefits to our employees and business partners, and contribute to the communities where we do business and operations.

Quality assurance

SPVB's quality and food safety policies are in accordance with standards set by the Suntory, PepsiCo, Pepsi Lipton groups and Vietnam Government. All company plants have FSSC 22000 certification. Additionally, the inspection related to the AIB International Consolidated Standards is carried out at all sites and special tools are provided to our sales teams to help them communicate information on quality to our customers.

Relationship with the Customers

Customer outreach

Customer satisfaction is a first priority, and hotlines are in place to solicit customers' feedback and requests. Feedback is an essential part of our qualitative research, which is used to improve services, fine-tune marketing and increase satisfaction. In recent years, SPVB Sales team has come up with the conclusion that the sales volumes would increase proportionally if consumers found the store displays appealing. This idea was after rolled out to on-site execution that one of our DCR's KPIs was actually to neatly arrange the products in the visi coolers and on racks with SPVB's must-have products. Our DCR team was also required to ensure that the products are promoted by using posters and other display materials.



Neatly displayed visi-cooler (left) and rack

Contributing to consumer health

SPVB beverage portfolio in this market includes a diverse set of exciting beverages such as Pepsi, 7-Up, Mountain Dew, Sting, Mirinda, Aquafina Lipton, Revive, Tropicana, Twister and Tea Plus. We take our responsibility to improve the nutritional quality of our portfolio very seriously, and we are on a continual journey to transform our product portfolio to provide Vietnamese consumers which more nutritious beverage choices, for example, Oolong TEA Plus, which prevents fat absorption.

TEA+ Oolong Tea

TEA+ Oolong Tea was released in 2013 in Vietnam, starting a new segmentation of tea in Vietnam. This tea is made using the technologies we cultivated while developing Suntory Oolong Tea, a product that has been popular in Japan for more than 30 years. With a refreshing and delicious taste, TEA+ Oolong contains OTTP, a natural ingredient extracted from oolong tea leaves that assists in the suppression of fat absorption. By extracting and maximizing the OTTP in oolong tea leaves, TEA+ offers consumers a healthier lifestyle, while maintaining the delicious taste and floral notes that come from oolong tea. After 6 years since the launching, TEA+ has now achieved outstanding result No.1 in HCMC, No.1 in Modern Traded and hopefully aiming South leadership in next 2 years



TEA+ Oolong Lemon

TEA+ Oolong Lemon is a unique combination of oolong tea and delicious lemon flavor, launched in 2018 as the first of its kind in the Vietnam market. The special point about this product is that it brings not only refreshment and delicious flavor from the familiar lemon taste but also a healthier lifestyle by assisting in the suppression of fat absorption, thanks to the OTTP ingredient of oolong tea. This tea is made by using the technologies we cultivated while developing Suntory Oolong Tea-a product that has been popular in Japan for more than 30 years and is now the No. 1 bottled oolong tea brand* in Japan. (*2017 Euromonitor, brand shares of off-trade RTD tea in Japan, volume)



TEA+ Oolong No Sugar

Anticipating that Health & Wellness is now trending in Vietnam as Vietnamese consumers tend to reduce sugar intaking, TEA+ had launched Oolong No Sugar in 2019 to one-step-ahead capture this movement. This new variant is the combination of many goodness: TEA+ Oolong OTTP - prevention of fat absorption, authentic Oolong tea flavorful & aromatic sensation and sugar-free. Beyond this, TEA+ Oolong No Sugar with its premium mood & tone also reinforces TEA+ brand attributes in term Japanese-ness, Expertise & Good for Health. This new variant is now widely available in all Modern Trade channel across the country.



TEA+ Matcha

TEA+ Matcha is a new TEA+ product that was launched in 2016 in Vietnam. With an authentic tea taste, and Theanine extracted by our advanced technology, TEA+ Matcha allows the drinker to enjoy relaxation and refreshment. We hope people can fully relax and enjoy their days with TEA+ Matcha.



GOOD MOOD - Value Added Water

Good Mood was launched in Vietnam on Apr 2019, establishing the new category of Value Added Water. Good Mood serves to bring consumers a new beverage option that is hydration as water, but taste good and feel good. Good Mood currently has 2 variants: Good Mood Water with Yogurt taste

Good Mood Water with Real Orange extract. Good Mood is perceived as a healthier drink, no added preservatives or artificial colorings, consumers can freely enjoy the tasty water without feeling any guilty. With its natural good taste, added with vitamin and mineral, Good Mood is a good water for daily hydration, help to uplift your mood everyday.



Relationship with Business Partners

Working with Business partners

SPVB treats all partners with fairness and respect. Since this joint venture started, SPVB has a network of suppliers and partners who work tirelessly to face all ups and downs in business with us. The relation with SPVB and some partners dated back to 27 years ago, when PepsiCo first started its operations in Vietnam. SPVB's at its position today thanks to its partners' contribution and collaboration.

To Create Harmony with Nature -Water, Environment & Sustainable packaging -

Water & Environment

Environmental management

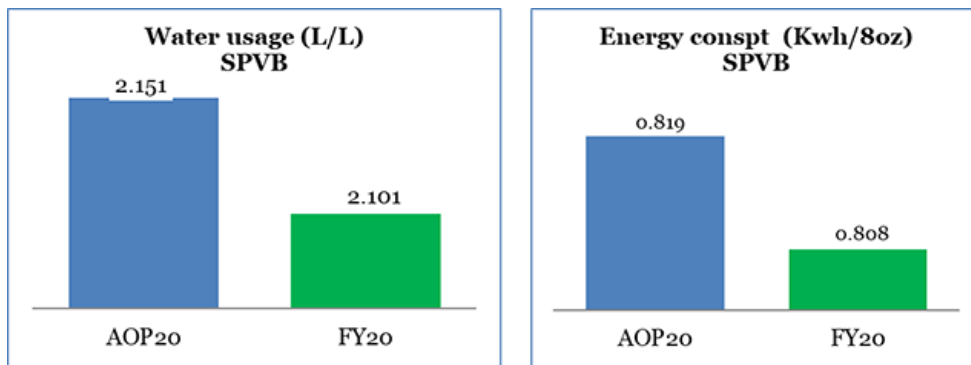
All SPVB plants and have acquired ISO14001 certification and fully complied with laws and regulations. All plants passed audit by third party with zero NC.

About Environment compliance: SPVB always comply Viet Nam law and regulations. Passed all government audits with zero violation. There were 6 government audits had done in 2020 with good result, had not nay negative comment noted in reports.

FY2020	Hocmon			Cantho			Dongnai			Bacninh			Quangnam			Vietnam				
Compliance	Monthly KPI	Units	MTD	YTD	AOP	MTD	YTD	AOP	MTD	YTD	AOP	MTD	YTD	AOP	MTD	YTD	AOP	MTD	YTD	AOP
WWTP compliance	-		●	●	% ●	●	●	% ●	●	●	% ●	●	●	% ●	●	●	% ●	●	●	% ●
Environment compliance	%		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Internal audit Score	%		N/A	93.0%	88.0%	N/A	96.5%	88.0%	N/A	93.5%	88.0%	N/A	93.0%	88.0%	N/A	94.5%	88.0%	N/A	94.1%	88.0%

We set up environment sustainability KPI's for water usage and energy usage. These figures were reviewed weekly at manufacturing meeting and monthly at company operating review meeting. Below is the SPVB KPI's 2020 achievement vs. reduction target:

2020 Targets and Results



Water conservation

SPVB has established targets and policies for water conservation. In addition to reduce consumption and effluent, we also strive to recycle water from treatment processes, bottle washing/ rinsing and CIP, extend CIP cycle, add water usage KPI for new project to select the best technology.

Recycle treated wastewater to use for gardening and internal cleaning at Dong Nai Plant, Quan Nam Plant and Can Tho plant

To reduce impacts to underground water source and improve water usage KPI, SPVB apply using city water for production at 3/5 plants: Dong Nai, Can Tho, and Hoc Mon plant. In next year SPVB plan to apply for Bac Ninh Plant. Can Tho plant will be apply when deep well license ending in 2025 Analyses the water flow and find the priority point to focus on management.

Climate change

CO₂ emissions from both power and fuel are measured at our plants, with targets to reduce energy consumption and CO₂ emissions. Methods include waste heat recovery, VFD for variable load motors/pumps/air conditioners, power-saving lighting, auto-timers at offices and eco oven for blowers, change compact lamp by LED to save electric consumption, apply natural light for workshop

SPVB applied some new technologies to reduce CO₂ emission such as:

Apply Biomass boiler outsource replace for boiler using DO at Can Tho Plant (2018), Hoc Mon plant (2019). In 2020, it is continued for Quang Nam Plant, and Bac Ninh plant.

Apply Solar project at Bac Ninh Plant (2015), and Dong Nai Plant will be done in 2020 (1 MWH), will continue extend to 4 MWH at Dong Nai Plant, 3 MWH for Quang Nam Plant, 3 MWH for Bac Ninh Plant,

Many small projects to improve operation/system to save energy such as: VFD applied, heat recovery for all pipe/equipment.

Conduct GHG reduction audit in 2020 to find the opportunity to reduce CO₂ emission. Target reduce 25% CO₂ emission amount from 2015 to 2030 (absolution). Build up the system to tracking CO₂e.

Reducing pollution and managing chemical substances

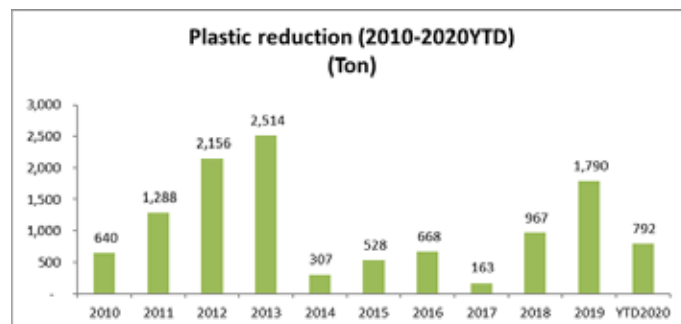
We comply thoroughly with all laws and regulations for the prevention of soil, water and air pollution. We carry out environmental impact assessments and obtain governmental approval for all plants. We have also implemented hazardous waste management systems, and environmental leaders are positioned at each site to ensure proper treatment and disposal.

All waste sludge of WWTP at all plant is collected and re-use for other purposes such as:

- Used as additive of bio fertilizer
- Used as additive of brick production

Moreover, all generated sludge not be landfill, reduce environment impact.

Find the best contractor in waste treatment technology to sign contract. And do supervise and valuation the treatment process to maximize the waste is recycle instead of incineration or landfill



Solid waste management



Waste water treatment plant

"Mizuiku - I love clean water" program

Mizuiku is an initiative of Suntory Holdings Limited (Suntory) implemented in Japan since 2004. The program celebrates its 15th anniversary in 2019. In 2015, the program was successfully piloted in Vietnam's Northern region with the purposes of educating pupils on water preservation and providing water filtration systems to the remote areas of Vietnam. The original format was customized to suit the Vietnam's conditions and create an interesting learning platform for children.



The pupils experienced SPVB plant tour in Bac Ninh Plant , Vietnam

Since 2017, the Central Council of Ho Chi Minh Young Pioneer Organization (CCYPO) and the Vietnam National Union of Students (VNUS) collaborated with Suntory Group, Suntory PepsiCo Vietnam to implement the program at the nationwide scale. Up to the present, the program has been expanded from 6 to 76 schools across Vietnam with nearly 38,000 receiving education classroom teaching on water resource preservation. 14 sanitary support and 68 clean water filtration systems installed also helped providing clean water for over 39,000 Vietnamese locals. In 2019, *Mizuiku* successfully launched the first time ever series of picture books for children with the Mizu icon as the teller of water preservation stories. *Mizuiku* continues to be a part of the Joint Program between the Ministry of Education and Training and the Ho Chi Minh Communist Youth Union from 2017 till now as one of an experiment programs for the children in the entire Vietnam.

2021 marks the 7th year of *Mizuiku* in Vietnam and is the 5th year the program be implemented at the nationwide scale. This year the program will be newly established in 15 primary schools in Lang Son, Quang Nam and Dong Nai provinces, additionally to the current 76 full-format schools as of 2020

In the future, it is hoped that "*Mizuiku - I love clean water*" can continue to receive the attention of state departments and branches as well as communication agencies in Vietnam so that this practical program can be expanded and promoted more comprehensively to the community and society.



Students participated in "River at my hometown" activity in *Mizuiku* teaching class in Ben Tre, Vietnam.



Recycling Exhibitions by Lang Son Students in "Recycling day - Mizu knight protect environment"

■ Sustainable packaging

Resource conservation

We measure solid waste generation and recycling rates at our plants, with targets for reduced waste and increased recycling. We recognize the importance of following 3Rs practices (Reduce, Reuse and Recycle).

We incorporate 3Rs into product design by creating lighter packaging; to conserve resources and reduce energy consumed during transportation (related production and design are carried out in-house). We have also changed from PVC to OPP labels for PET bottles, and from PVC to ACL labels for glass bottles. This helps to reduce environmental impact and encourage proper recycling. Additionally, used materials at our plants are collected for sale to third-party companies for reuse or recycling.

Many lightweight projects are applied to reduce waste plastic discharged to environment, reduce environment impact.

Packaging Recycling Organization Vietnam (PRO Vietnam)

As one of the founding members of PRO Vietnam, Suntory PepsiCo Vietnam aims to:

- Raise awareness about packaging recycling and waste separation
- Complete the packaging collection ecosystem
- Cooperate with government on 3R recycling activities
- Support recycling programs



Plastic packaging recycling initiative

Since 2020, SPVB has cooperated with VNUS to build eco-brick toilets for primary schools. Each eco-brick is created by stuffing sand, chopped plastic bags, and cement into a bottle. Thanks to more than 1,300 volunteers whom contributed over 300 working days, for the first time ever, 9 eco-brick toilets were built in Vietnam, which helped:

- Recycle plastic bottles, plastic waste, nylon
- Recycle about 32,500 plastic bottles and 270 kg of shredded plastic
- Save 25% construction costs
- Ensure water sanitation for primary school students



Suntory PepsiCo and VNUS inaugurated the first plastic bottle toilet and started constructing another 6 projects in Thai Nguyen province

Join hands to clean beaches in Vietnam

From 2019 - 2020, SPVB has joined hands with Vietnam National Union of Students (VNUS) to organize 10 beach clean-up activities. As a result, nearly 2,500 local volunteers & Suntory PepsiCo members participated and almost 30 tons of garbage was collected.



Beach clean-up activity in Can Gio, HCMC

To Create Harmony with Society - Giving Back To Society -

■ Giving back to society

Suntory PepsiCo dedicates to contribute to the society and generate positive impacts on people around us as we grow. We only succeed when we can share it with the community. That is the way we show our appreciation.

Green Summer

Green Summer is a campaign for students in joining volunteering programs and held by Vietnam National Union of Students every summer. Throughout the campaign, many volunteers nationwide contributed effectively to society, through activities such as building and renovating countryside roads, bridges and charity houses, participating in ensuring safety traffic, and urban civilization communication activities; supporting in university entrance exams. Below are some highlights of Green Summer from 2018 - 2020:

- Green Summer Campaign national Kick-off events in Long An (2018), Bac Kan (2019), and Quang Binh (2020) with +6.5K volunteers
- 19 water treatment systems in 8 provinces (Quang Nam, Ben Tre, Ha Giang, Lang Son, Quang Ninh, Hai Phong, Quang Tri, Binh Dinh)
- 25 sport grounds/playgrounds for children in Bac Ninh, Hanoi, HCMC, Danang, HCMC, Can Tho, Ca Mau, Phu Tho
- More than 593,000 bottles of products and 13,300 t-shirts for volunteers



A sport ground in Da Nang



SPVB products and t-shirts accompanied volunteers & students in many activities nationwide

Helping Hands

Helping Hands program is an employee volunteering and donation program, that employees are provided with opportunities to care for community and the world we live in. It has launched in August 2011 supporting to enhance SPVB's core values and to build the corporate culture, engage employees for long term commitment and contribution to both business and society sustainable growth. The total raised funds by employees will be approved for matching by the company. It's a good platform for all - our employees, community and business. Since 2011, 10 SPVB Helping Hands committees were formed, about 150 HH programs were initiated, more than 11.2 billion VND was used to build 6 schools, 3 houses and 3 libraries for children in mountainous/remote areas, award thousands of scholarships, support 1,600 eye surgeries, present gifts for the disabled and the older people in social centers.



Hoc Mon Plant and Dong Nai Plant Helping Hands committees built & renovated a school at a remotod area in Binh Phuoc



SPVB employees brought 2,000VN- meals to underprivileged people in Community Day, HCMC

Education - Dynamic Contest

For years, SPVB has been taking advantage of all resources to bring the best opportunities for Vietnamese young talents to learn and exchange from people inside and outside the country.

For the last 24 years, SPVB have been accompanying the "DYNAMIC - The future entrepreneurs" contest and since 2017, we are proud to become its co-organizer with University of Economics Ho Chi Minh City for the new DYNAMIC start up version where the students had room to conceive and develop their own business ideas. Here are some highlights of Dynamic of the recent years:

- Expand the participation of more universities: 14 participating Universities nationwide
- DYNAMIC 2019 kick off events at 4 regions in 7 Universities reached +2,000 students
- Cross functional contribution incl. local Sales/Finance/Marketing joint functional trainings for DYNAMIC students



Talk show with Mr. Mai Quang Vinh - Executive Vice President, Sales of Suntory PepsiCo Vietnam



Marketing training with Ms. Nguyen Xuan Linh Trang - Senior Marketing Director SPVB



Blocky (UEH) - The winning team of Dynamic 2019



Vietnamese students from Dynamic 2019 winning team visited the office of Suntory Beverage and Food Asia (SBFA) in Singapore

Urgent Community Support

Putting people as its core value for business development, the company focuses on improving the health and life quality of the community through social activities.

Over the past 27 years, the company has been back in Vietnam, the company has provided hundreds of thousands of products for communities suffering from natural disasters and pandemic, hundreds of heart operations, thousands of Tet gifts, scholarships, medical centers, educational and clean water constructions across the country.



SUPPORT TO RESOLVE SALINE INTRUSION

Donating 40,000 water liters to support 4,000 poor households in Chau Thanh district, Binh Dai district and the School for Children with Disabilities in Ben Tre Province.



SUPPORT THE FIGHT AGAINST COVID-19 PANDEMIC

By 2020, there were more than 10 activities to support the fight against Covid-19 pandemic with the total funding of more than VND 8 billion.



NATURAL DISASTER SUPPORT

In 2020, there were 5 activities to support people in the central region to overcome the storm consequences with total value of over 4.4 billion VND.

Suntory PepsiCo Friendship Golf Tournament

The Suntory PepsiCo Friendship Golf was organized from 2001 to recognize the companionship, contribution and cooperation of its partners and friends to the overall success of the company. Since 2007, the event has been organized to raise funds for poor people living in poverty. This is the 16th edition of this popular event.

From 2007 to 2015, the raised fund from the tournament has been used to conduct 380 heart surgery donations, award 40 scholarships and sponsored thousands of Tet gifts for orphans and the elderly, support 30 disabled athletes with excellent academic results, build 6 health centers, 28 houses, 4 kindergartens and 2 informatics centers. In 2016 & 2017, nearly 1.7 billion was used to build 6 water supply systems in 5 schools and one island district of Ben Tre province to provide clean water supply for more than 4,000 people and children here and provide 74 water filters for more than 1,600 students in 7 schools and about 7,000 patients each year at two infirmaries in Tan Tru District, Long An Province.

Over 2.8 billion VND was raised from Suntory PepsiCo Friendship Golf 2018 and 2019 events by Suntory PepsiCo Vietnam in collaboration with the Sponsoring Association for the Poor Patients of Ho Chi Minh City was donated to bring clean water to students in Ben Tre Province via the "Clean Water for Primary Schools" program. In 2020, the tournament raised a fund of up to VND1,780,000,000 - the highest amount over years of organizing, given to disadvantaged children with cancer through Ho Chi Minh City Sponsoring Association for Poor Patients.



Mr. Nguyen Van Ranh - Vice President of Ho Chi Minh City Sponsoring Association for Poor Patients, received VND1,780,000,000 donated from the 2020 Golf Tournament

Building a beautiful culture



17 consecutive years contributing to maintain Vietnamese culture by sponsoring Nguyen Hue Flower Street

To Create Harmony with Employees -Diversity Management-

■ Our Employees

Diversity

SPVB promotes local employment and national workforce development. Additionally, we also value diversity and inclusion, and train our employees and management in these values. One of our key performance indicators for management is our female employment ratio, which we consider a key aspect of workforce diversity in Vietnam.

Development

At Suntory PepsiCo, we are passionate about growing our business and we recognize that in order to do this we must continually support and develop our employees.

With the purpose to provide our employees with the expertise they need to fulfill their role and make an impact on your business, we build up a well-rounded training portfolio which includes: Leadership skill, General Skill and Functional skills. which is led by 3 core capability development teams: Talent Development - Training, Sales Training & Operations Capability Development.



Formed in early 2018, Sales Training team has quickly built up their knowledge & credibility with partners through various training programs & initiatives to improve functional capability for Sales team both front line & back-office. One of the most successful & impactful programs that Sales Training team organized are ASM Academy, Sales Sup Essentials, DCR Refresh, Saturday Learning & Fritalk, etc.



Together with the introduction of Operations Capability Framework, Operations Capability Development team was established in 2020 with the mission of developing Operations capabilities for SPVB, building up functional competencies including develop and manage of training & roadmap for all levels to build on an engaged and high-performance Operations team. In their 1st 6-month of operation, Operations Capability Development team has successfully built & introduced the Operations Capability competency framework for the 1st time in SPVB, organized workshop cascade & competency assessment for all supervisor level up in 5 plants, analyzed the TNA & built action plan to fill gaps for supervisor level up. Moving forward, Operations Capability Development team will continue to cascade competency framework to front line employees at technician/operator level & standardize new-comer training program in Operations as well as delivering training followed master plan.





Regarding soft skills development, each year around 40 - 50 courses nationwide were organized for employees by Talent Development - Training Team, equivalent to over 10,500 training hours to enhance employee's capability both general & leadership skills along many Functional training workshops based on functional capability building plan customized for each function based on competency gap analysis.

Agile learning culture which encourages self-learning ownership & inspired employees to take advantage of all learning opportunities following 70:20:10 model:

- 70 - Learn on the job: Assignments, cross-function projects
- 20- Learn from others: Sharing is Caring/Lunch & Learn session, Fritalk, Protalks
- 10 - Official trainings: Sales learning portal AMENA & New e-learning portal Suntory University x LinkedIn Learning, offline training, library, maximize the flexible learning budget for management (DBA) "Becoming Agile Learner" series & Campaign 21 promoted employees to quickly learn, unlearn & relearn by building a new digital learning habit. Upcoming SPVB will continue to drive Internal learning & sharing culture with enhanced Internal Trainer Club scheme & activities synchronized with Helping Hands, promoting both Agile learning of SPVB & Giving back to society spirit of Suntory Global.



Since July 2015, in order to promote recognition cultures in SPVB, E-kudos - the first ever recognition online tool has been launched. This initiative receives a big support from Line managers and employees. There is about 7000 e-kudos granted every year.

In Organization Health Survey 2019 conducted by Tower Watson, with more than 97% response rate, SPVB has received outstanding results with 19 out of 20 categories getting higher scores compared to OHS 2017 (Such as Action Planning, Innovation, Collaboration, etc.). Especially, Sustainable Engagement score - key variable of the survey - has achieved 90 scores, +2 vs OHS 2017. We surpass Global Food & Beverage Norm - showing the intensity of our employees' connection to the organization.

Work/life balance

To help promote a healthy work/life balance, SPVB offers flexible working hours to the managerial levels up. In addition to flextime, female employees may also reduce their working hours in order to facilitate childcare when the children are under 1 year old. Excessive overtime is discouraged, and a work-from-home system is available. Besides, SPVB promotes the team activities such as the team building activities and trips, the sport programs and the healthy living promotion campaign for the healthy living style to enhance the awareness of the employees and their family on the health protection and prevention.

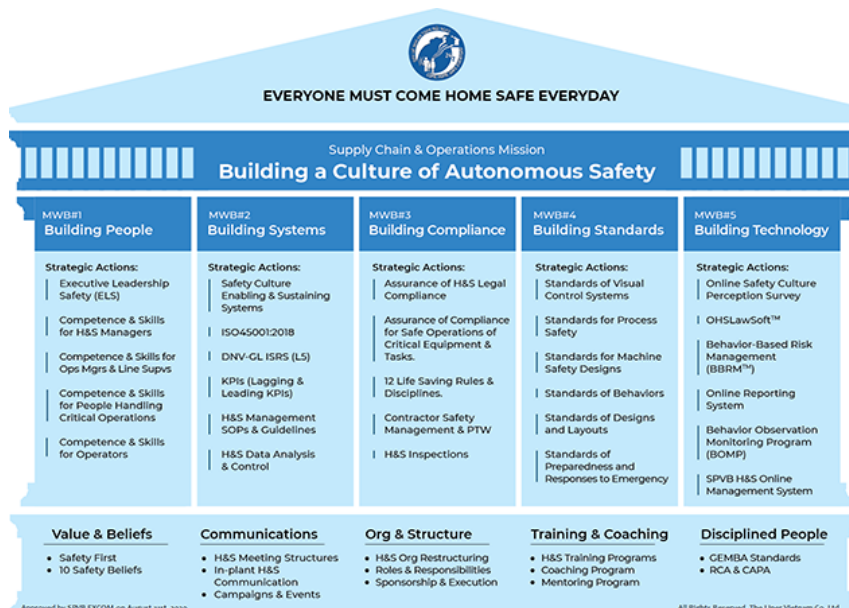


Health and safety

Health & Safety is becoming the top priority of SPVB company in 2020 in order to bring a healthy and safe working environment to all employees, contractors, visitors, etc. With the joining of new H&S Director from March-2020 - Dr. Quan Hong Duc, all H&S strategies, programs, activities are just re-sharpened, clear structures and instructions are given that support very much on the journey of building up new vision, mission, policy via 5 Must-Win-Battles (MWB): Building People, Building Systems, Building Compliance, Building Standards and Building Technology. Many safety projects and programs were implemented at Nationwide level, plant level and sales offices of the company. These activities have helped the company significantly improve working environment, raise all employees' awareness and safe working skills.

1. H&S Vision - Mission:

One of the key safety changes at SPVB was the launch of the vision & mission of safety on 31st Aug 2020. EXCOMs and CEO already approved for the new H&S vision and mission after carefully reviewed the proposal of H&S Director. This is the first time the company has established a vision of Health & Safety and Well-being. The purpose of the vision is to inspire and guide strategies for safety programs and to make sense of our safety efforts. SPVB expects everyone from people working in all plants to those working in offices or in the field come home safe after work every day. Nothing is so urgent for someone who works in plant to take a shortcut or bypass safety procedures and systems. Nothing is so pressing for someone who is on motorbike in the field to overspeed over limit or drive in a rash manner. It is not just about safety. We also expect everyone go come home in good health and well-being to fully enjoy time with their family and your loved ones.



Come home safe every day is not just our Company Vision. It is our EXCOM's expectation and also our strong request to all the Leaders of the Company to do the right things, develop meaningful procedures, eliminate hazards and risks and ensure the compliance including people's behaviors...etc. Your efforts and commitment will be recognized and appreciated through the smiles on the faces of our employees' family members when they see their loved one come home safe from plant or office every day. SPVB believes that Come Home Safe Every Day is one of the Core Values and Principles for our Business and Operations. So, let's work together to make this a way of life in SPVB.

Concerning to Operations and Supply Chain in 2021, the safety mission for this year is Safety Culture of Compliance and Disciplines. In the past few years, especially in 2020, we have made progress and improvements in safety at our factories. By the end of 2020, all five factories & distribution centers achieved the goal of no accidents affecting workdays for SPVB employees, subcontractors and 3PLs. We have also completed a compliance assessment of the safety of Utility equipment in all five plants. The Work Permit program has been applied. Reporting safety incidents has gradually taken shape in our safety culture.

However, these advances are only a very small step in making SPVB a safe workplace, ensuring the physical and mental health of all employees. There are still unsafe behaviors from some employees. There are still non-compliance conditions, even violation of safety regulations and procedures. And so, there are still some accidents, unfortunate safety incidents occurred. Because of this, the Board of Directors value the action of our 2021 safety mission to promote a Culture of Safety, Compliance and Disciplines. This focus of actions will help us build a strong foundation and support the development of safety at a higher level.

Fostering a culture of safe compliance and discipline will help us set safety standards, help every employee understand safety practices and standards, and help you build habits safety compliance and enforcement during work. With this in mind, we will bring the safety culture of SPVB to a new level. In doing this, we help SPVB become a better place to work. With this in mind, your colleagues will be HOME SAFE EVERY DAY!

2. 5 Must-Win-Battles (MWB)

From approved SPVB H&S vision-mission, this was made into details via MWB to have clear goals, targets and programs to be achieved by different work levels at both Nationwide and Plant team. The MWB is categorized into 5 pillars to specify actions as following: Building People, Building Systems, Building Compliance, Building Standards and Building Technology. Under each pillar, key specific actions are identified with clear programs and persons to lead it to the success. These are the long-term strategies that SPVB defined for the next 5 years, event 10 years to help the continuity of the programs to build safety culture. Specifically, on 5 MWBs overall below will give a full roadmap of what SPVB want to achieve:

- MWB#1 (Building People): building commitment for leadership (ELSW), competence and skills for EHS Managers, Operation Managers, Line Supervisors, for people handling critical operations, and for operators.
- MWB#2 (Building Systems): building Safety Culture system, ISO 45001:2028 system; KPIs Lagging & Leading, H&S Management SOPs & Guidelines and data analysis & control.
- MWB#3 (Building Compliance): assurance the compliance of H&S legal requirement, safe operations of critical equipment and tasks, 12 Life Saving Rules, contractor safety management and H&S inspection.
- MWB#4 (Building Standards): Building standards of visual control system, for process safety, for machine safety designs, standards of behaviors, designs & layouts, and for preparedness & response to emergency.
- MWB#5 (Building Technology): building online safety culture survey, OHS Lawsoft, BBRM (Behavior-Based Risk Management), online reporting system, BOMP (Behavior Observation Monitoring Program), H&S Online Management system.

3. Corporate H&S policy:

From the very first beginning, a new corporate H&S policy was approved and signed-off by CEO on 18/11/2020, the highest level in SPVB. This is a replacement of old H&S policy which was signed-off by individual Plant Director at each plant. The new policy was communicated and visualized at all 5 plants to show employees to alignment and strong commitment from the top leaders of SPVB to the ground - operators at shop floor. In another hand, the new policy is another way of outlining of 5 Must-Win-Battles which were defined above for long-term journey of building safety culture. With this, SPVB is confident to face challenges, to admit what we were not done well and commit to make improvement.

4. Reinforcement of leadership commitment

What are the best ways to motivate employees and increase safety? This is a crucial question for just about anyone in a workplace leadership role. In SPVB, EXCOMs, Plant Directors and EHS team (Nationwide and plant team) were together joined in a workshop called Executive Leadership Safety Workshop (ELSW) to share the H&S performance results, focused actions, sustained action for next year when putting priorities, KPIs. By sharing this together directly, this gained trust among us, gained the understanding of safety programs and together move forward with aligned H&S agenda. The ELSW was first-time organized in SPVB and also be considered as the importance of positive reinforcement from leadership. Moreover, the ELSW level 2 (plant level) is organized online to all 5 plants leading by Plant Directors and support from Nationwide EHS. The alignment with PDs on of H&S Focused Action (13 Elements) and KPIs (7 KPIs) was made and showing the strong commitment to EHS again.



5. 12 Life Saving Rules (LSRs)

In 2020, H&S found that company rules have general terms in safety while there are 12 golden safety rules from safety. This showed that in-alignment from SPVB document and made difficulty in communication, event for disciplinary controls made. With the purpose to unify and make clear alignment of "safety rules", 12 LSRs were alignment among EHS and HR team and started to be applied at all plants, all facility that SPVB managing. 12 LSRs are the basis and set employee's mind when they start to do something: think and behave safely.

6. Compliance Assessment

To assure the lesson learnt to be carried forward for the prevention of re-occurrence, the operations of boiler/NH3 and air-compressors in DOP is in compliance against local specific requirements and standards, the new program of assessment of design safety and operations safety compliance audit was carried out by professional and experts in the industry of SOSHI (Ho Chi Minh City Science of Occupational Safety and Health Institute). This is deep dive assessment to identify and detect wrong or improper designs of the equipment. The experienced assessors also help to identify at-risk behaviors of the operators and confirm the status of compliance against legal requirements and standards. The assessment was already completed for 5 plants in 2020 and new scheme of 2021 is continuous to defined and carried out.

7. Collaboration of Operations Capability (Ops Cap)

Operational Excellence (OE) Operations Capability (Ops Cap) is a new function established in 2020 and leading by Ms. Nguyen Thi Ngoc Lanh. The function is about to improve the competence and skills of all defined work levels including EHS function. Therefore, as a representative of Nationwide EHS team Mr. Mac Dang Them is assigned as project leader for EHS part and collaborating with OE-Ops Cap Director to build-up clear Competence & training matrix for each level with required PL (proficient level), following up and assess the effectiveness of those training courses. This is demonstrated that a work cannot be completed with Solo culture, collaboration among departments is a key factor leading to best performance of work.

Moreover, clearly defined skill sets were completed defined for each function and work level which including awareness competency, core competency and advanced competency. The focus in 2021 is to build competency for Manager, Executive and Supervisor levels on 2 key courses:

- BBRM (Behavior-Based Risk Management): completed for EHS Managers and now is rolling-out at plant
- RCA (Root Cause Analysis): completed for HMP and BNP and will continue to roll-out for other remaining plants

8. Safety Culture survey

Safety culture is the collection of the beliefs, perceptions and values that employees share in relation to risks within company. Safety culture is a part of organizational culture and has been described in a variety of ways. One of methods to know about safety culture level of one organization is safety culture survey done by their all employees. This activity was completed in July 2020 for 5 plants and was validated by Nationwide EHS team with the confirmation of each Plant Director. The final 2020 score for the whole Operations-Supply Chain confirmed by Mr. Nguyen Duc Huy (EVP-Ops SC), Mr. Dang Thanh Tan (EVP-Ops) and 5 Plant Directors is 38 (Supervision) in ELSW in Ha Noi 27 Jan 2021. With the target of 52 score of safety culture for 2021, all work levels right now know what to do, what are responsibilities to contribute on their works.

9. Safety Talk

Safety talk - talking about 1 simple topic in a short period of time (approx. 30 mins), delivered monthly by leadership team PD, Managers or even from an experience employee. This is a new program deployed in 2019 by Nationwide H&S team, continued in 2020 with the purpose to provide simple & easy-remember safety knowledge to employees; step-by-step enhance safety awareness and make safety as priority in daily routine and non-routine tasks. The simpler, the easier to apply in employees' activities! Safety should be easy to talk about. Given to everyone's interest, a topic was discussed and chose properly and suitably and to make more effectiveness of receivers - our employees. This activity became monthly routine and let employees spread the spirit of "leading by example" from leaders to operators.

10. Restructure of Nationwide EHS Division

In 2019, EHS Nationwide Division was merged with QA to become QAEHS Department. In 2020, Nationwide H&S was separated out of QAEHS while Environment section was still in QA (QAE department). Moreover, EHS Department at plant was also busy to solve issues, problems, not have time to focus on building up competences, give professional advice to another department, etc. The change in organizational structure of H&S (plus E-Environment) was rapid and not stable enough to sustain performances and leading changes in safety culture. With the purpose to re-structure Nationwide EHS Division and EHS plant team to have right focus, right role responsibility and right person, the new structure of Nationwide EHS Division and EHS plant team already approved from 5th Mar 2021.

Environment section re-join EHS team while EHS Managers at plants will functional report to EHS Director. Each member of Nationwide EHS is in charge for specific role such as System & Standards, Compliance, Data Analysis while EHS Manager at plant will take lead a Nationwide project to build more competences. With this new structure, SPVB strongly believe that this will bring much more benefits, success to EHS in near future.



11. GEMBA (standardized with new process)

GEMBA is an exercise which requires a discipline demonstrated through planning, route, frequency and the monitoring of the execution. We haven't executed GEMBA on the way we're expecting! GEMBA is also the exercise which requires reporting and following-up with the actions to address issues or solve problems! We also haven't executed GEMBA on the way we're expecting. An effective GEMBA also requires direct dialogues with staff or operators to motivate right behaviors and understand barriers or challenges that prevent them from doing the right things or behaviors. We're doing GEMBA as they way we're doing an INSPECTION!

3 factors are now stopping GEMBA from becoming effective?

- Lacking standards including safety standards for equipment, auxiliary equipment, tools and standards of behaviors for safe operations.
- No GEMBA report form is available. Personnel who complete a GEMBA do report on their own way (E.g. Take photos during GEMBA and send to EHS managers through Zalo. EHS managers collect information and consolidate GEMBA report by Excel files).
- No analysis of data collected from GEMBA exercises

Therefore, October 2020 it was the time for change! Changes in executing GEMBA in SPVB with GEMBA board (name of person L6+, frequency), GEMBA route (designed for each segment of plant), GEMBA report (complete and fill in the GEMBA Report when GEMBA is completed at each Pitstop during GEMBA Route), GEMBA dialogue (must interact and discuss with operators whenever a right behavior is observed to motivate employees or wrong behavior is observed to understand why the operator cannot perform right behaviors).

12. Safety value

Last but not least, SPVB is focusing to build "beliefs" for all employees via Safety Value with specific 6 actions to demonstrate. Belief is a psychologic term that when you believe a thing, you will do or follow that. Based on that methodology, Nationwide EHS set a group of 6 specific actions that employees need to comply with when they do a work as following:

- All meetings always start with safety
- Nothing is so urgent that safety is compromised
- Safety is always considered in every business decision
- Leaders always stop when noticing an unsafe act & condition
- No employee is allowed to operate a equipment unless health and safety risks are tolerated by proper control measures
- Health and well-being of employees are as important as their safety

Frucor Suntory

Head Office	86 Plunket Ave, Manukau, Auckland 2104, New Zealand
Business activities	Production and sales of non-alcoholic beverages
Website	https://frucorsuntory.com/



Company Overview and Philosophy

Frucor Suntory manufactures, markets and distributes a range of fruit juices, fruit drinks, energy drinks, waters and soft drinks. We're the company behind iconic brands, V Energy, h2go, Just Juice, Maximus, Fresh Up and Simply Squeezed - and we produce more than 25 million cases of drinks a year at our New Zealand manufacturing plant in south Auckland.

We employ 1,000 people across Australia and New Zealand. We're passionate about satisfying tomorrow's thirst and offering more choice when it comes to choosing a beverage to suit everyone's lifestyle.

Everyone at Frucor Suntory strives to live our corporate values of "Together", "Go for It", and "Make a Difference". We believe these values, along with our purpose of "Hungry to make drinks better", are among the key reasons we have been able to establish our unique position in this market.



Primary CSR Activities

To Create Harmony with Customers and Partners -Products and Services-

■ Quality Management

Ensuring rigorous quality control and food safety standards

Our factories operate under a range of national and international food safety and quality programmes ranging from: the National Program 3 (NP3) and the Food Control plan (FCP) to ISO 9001 and ISO 2200. We also hold certification to support our Organics claims.

Our manufacturing subcontractors are selected on their adherence to the same quality standards we hold ourselves, and we have a dedicated team who ensure this is upheld.

The role of our Quality Control team is to ensure our products meet all the parameters we use to measure and assure the quality of our products. They also make sure that any claims we make about our beverages are true.



Continuously improving business operations

Frucor Suntory strives to deliver a SMW framework, which endeavours to achieve operational excellence through KAIZEN. This is done through developing standards and embedding tools, systems and processes to build capability and maturity.

We have been practicing 5S - seiri seiton (putting things in order); seiketsu, seisou (cleanliness, cleaning); shitsuke (discipline) for the past 12 years. Each year, Frucor Suntory manufacturing teams implement hundreds of improvement ideas in the factory.

We have a programme, which is dedicated to improving problem solving capability across the business. As a result, we have trained a significant amount of individuals to be green belt practitioners.

The introduction of the white belt and yellow belt programme has been developed to accelerate this capability and to reduce loss.



Hunger for Making Drinks Better

Our company purpose - hungry to make drinks better - extends across our business.

We are committed to offering more choice when it comes to low, no and reduced sugar beverages - as well as functionality and more natural ingredients. Our RD&I Centre is focused on producing great-tasting low and no sugar drinks - and we're partnering with Suntory on sugar replacement development and options for the future.

We have rapidly adopted the Health Star Rating food labelling scheme with the % Daily Intake Energy icon, and we have voluntarily restricted the sale of sugar-sweetened beverages in schools. As part of the NZ Government Ministry of Health's Healthy Kids' Pledge, we only sell water to primary and intermediate schools. We do not directly sell sugar-sweetened soft drinks or any energy drinks to secondary schools.

We were also one of the first beverage companies to use stevia; a natural plant-derived sweetener which has replaced sugar in many of our drinks.

Relations with Customers

We treat our customers with the same respect with which we treat each other. This has led to very positive customer relationships, and helped us to secure many new key accounts such as HOYTS Cinemas and Zambrero.

We were also ranked as the top non-alcoholic beverage supplier in the New Zealand Grocery Market by the Advantage Group Industry Survey.



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. Frucor Suntory requires that all suppliers adhere to strict, socially accepted standards of employee treatment and environmental policies and regulations related to the local environment. To ensure that all product ingredients obtained by Frucor Suntory meet our quality standards, we perform rigorous ingredient inspections and onsite audits of manufacturing processes.

To Create Harmony with Nature -Environment-

Environmental Efforts

Like our parent company Suntory, we've set ourselves ambitious targets to ensure our environment is fit for the future. We are actively working towards achieving these five key goals by 2030:

- Reduce CO₂ 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

To Create Harmony with Society -Cultural and Social Contribution-

Support for a sustainable and circular economy

We recognise our responsibility to mitigate the environmental impacts of single-use beverage containers. We are eager to see a sustainable solution that will reduce waste to landfill, increase collection rates of eligible beverage containers, and result in increased recycling and re-processing of these high commodity materials.

In New Zealand, work kicked off in 2020 to investigate and design a nationwide beverage container return scheme (CRS). It would involve a refundable deposit on drink containers - redeemed when they are recycled at a collection depot or drop-off point. A comprehensive proposal was presented to the New Zealand Government towards the end of last year.

As a member of the New Zealand Beverage Council, Frucor Suntory was represented on the scheme Design Working Group tasked with the design of a CRS.

In Australia, container deposit schemes have already been established in five states with other states expected to follow. We introduced a trial of reverse vending machines in New Zealand with two university campuses to encourage people to recycle. The machines take all plastic and cans and have the capacity to hold 1,500 units.



Reducing our environmental impact

Since making our commitment to reduce our carbon footprint and partnering with Toitū Envirocare in 2017, we've been actively measuring greenhouse gas emissions in almost every one of our departments and sites in New Zealand and Australia.

In 2020 we introduced more hybrid vehicles to our fleet. They now account for 20% of the vehicles our sales team operate. Part of our role is not just looking at the emissions we are directly producing, but also working with customers to understand how the fridges they select for stores has an impact on the environment.

Using an energy efficient fridge can lower overall emissions and have an impact on their power bills and maintenance costs - so it's a long term win for everyone.



Progress on sugar

Our hunger to make drinks better is what drives us - and this means offering choice and great tasting drinks.

When we design new drinks, we're designing for consumer desirability, and this is resulting in lower sugar products. In some cases, it's lower sweetness like NZ Natural flavoured sparkling range and in others, it's offering the same sweetness with less sugar (V Sugarfree Blue).

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.

Reduce, reuse, recycle

We made great progress in 2020, and launched our first recycled plastic (rPET) into market. The NZ Natural range is now in recyclable packaging, using as much locally recycled content as we can get source.

During the development of our rPET bottles, we were able to collaborate with our Suntory colleagues around the world. We tapped into their expertise - which helped fast track our local solution - and shared learnings from the development. And there are more projects we're connecting on globally.

When it comes to improving our existing packaging, we use the 3R mindset: Reduce, Reuse and Recycle.

This takes into consideration efficient manufacturing and distribution (CO₂ reduction) as well as consumer functionality, safety and recycling. The result means we're always trying to minimising the environmental impact of our packaging, while still delivering the products that consumers know and love.



A focus on recycling

Our Auckland manufacturing site is the largest contributor to our waste stream. In 2020 we focused on diverting waste from landfill and increasing our on-site recycling.

We have conducted a waste audit with our waste service provider to better understand the largest areas of impact and opportunities for improvement.

The results indicated a need to explain the importance of putting waste in the right place - and to make it as easy as possible to do the right thing.

- We have also introduced collection to our site - we now separate food scraps for composting.
- Arranged collection of electronic waste throughout the year - amounting to almost one tonne.
- Made some simple choices - like recyclable tasting cups (which our RD&I teams use daily as part of our quality process).

Our Procurement Team is working with key suppliers to build awareness of our plans and investigate opportunities to transition our packaging to materials that are recyclable.

As a result of our continuous improvement, we diverted an additional 5% waste from going to landfill in 2020.

Using water thoughtfully

Alongside installing an air rinser at our manufacturing site - a piece of equipment enabling us to make savings of 12 million litres of water every year - our team has introduced a number of initiatives to save water wherever possible.



We regularly tap into the Suntory Global Engineering network for best practice projects underway, machine performance insights and innovative ideas for saving, reclaiming and re-using water.

Over the year, our focus and effort on making every drop matter throughout the manufacturing process has put us well ahead of the improvement rate required to achieve our 2030 water savings target.

To Create Harmony with Society -Cultural and Social Contribution-

Relations with Regional Companies

We are passionate about supporting our community. Last year - alongside Suntory Group and Suntory Holdings (Beam Suntory) - we donated \$500,000 to support recovery efforts in Australian communities that have been impacted by the ongoing bushfires.

The funds were divided among the Australian Red Cross, the New South Wales Rural Fire Service and the New South Wales Wildlife Information Rescue and Education Service (WIRES).

We also donated \$100,000 worth of Simply Squeezed Juice and Smoothies to DHB staff, care workers and families, who were impacted by the Hawke's Bay floods.



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.

Last year, many of our people used Make a Difference Leave to help out an organisation in our community such as, volunteering at the distribution centre at the Auckland City Mission.

To Create Harmony with Employees -Diversity Management-

■ Relations with Employees

Promoting workplace health, safety and wellbeing - leading for change

We're committed to ensuring our people are able to thrive in a safe and healthy work environment. We do this by providing policies, education and resources that foster a physically safe and mentally resilient workforce. Our vision for health, safety and wellbeing puts our people at the heart of everything we do, so our people can go home to their families healthy and safe every day.

We have reviewed and released a new Health, Safety and Wellbeing policy, which underpins our commitments to providing a workplace that protects people from harm and supports their wellbeing, along with the responsibility we all have in keeping each other safe. We recognise that everyone can be a leader in health, safety and wellbeing so we actively promote an inclusive work culture that encourages conversations and collaboration. People leaders and their teams working together to bring practicable safety and wellbeing ideas to life.

We have 60 Health & Safety Representatives throughout our business, who are elected by their peers to be their voice and represent them on health and safety matters. Through this leadership role our Health & Safety Representatives play an important part in creating and supporting a culture of safety and wellbeing. During the last 18 months, we have reviewed and challenged our focus on mental health and wellbeing. Embracing the Five Ways to Wellbeing (Connect, Be Active, Take Notice, Keep Learning, Give) as our guide, we are promoting the importance of mental health and self-care throughout our business. The five ways are simple and proven actions that when practiced regularly, can help people find balance, build resilience and boost mental health and wellbeing.



Supporting employee growth through training and skills development

We pride ourselves on valuing our people and having an engaged workforce. Last year we committed to dialing up our Learning & Development initiatives and refocusing our Diversity & Inclusion Strategy. We believe that investing in our people is good for our culture and business success.

In 2020 we were selected as a winner of the Human Resources Director (HRD) New Zealand Employer of Choice for the work we have achieved in these areas. The award recognised a range of our Learning and Development and Diversity & Inclusion initiatives such as:

- Implementing our Diversity & Inclusion Strategy.
- Becoming the first FMCG business in New Zealand to implement equal gender paid parental leave (offering all eligible employees 13 weeks on top of their statutory parental leave entitlements).
- Launching our digital learning platform - MySU - during the COVID-19 lockdown (incorporating locally developed, LinkedIn Learning and Suntory global content).
- The extension of our communication channels and digital technologies.
- Our Leadership Development courses and Leadership Mindset material.



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	https://www.pepsibottlingventures.com/



PBV's distribution facility in St. Pauls, North Carolina

Primary CSR Activities

To Create Harmony with Customers and Partners -Products and Services-

■ 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*1. Moreover, we have obtained the Global Food Safety Initiative (GFSI) FSSC-22000 audit scheme*2 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.

■ Relations with Customers

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:

To Create Harmony with Nature -Environment-

■ Environmental Efforts

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

Adopting vehicles and a delivery system that contribute to energy conservation and CO₂ 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

Reuse & Recycle - Pallet Reusage & Plastic Cases

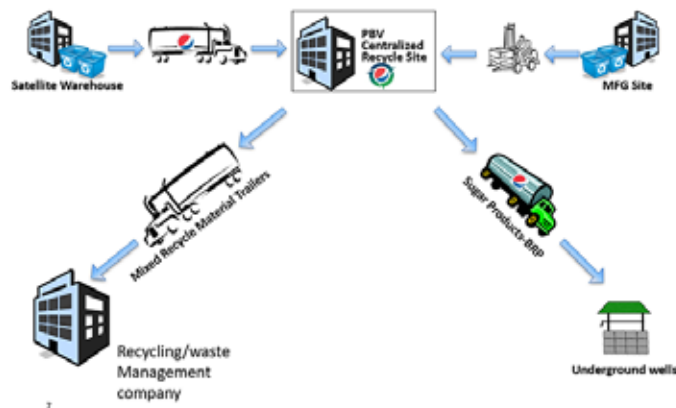
99% of our plastic and wood pallets are reused multiple times. Our plastic cases also lasts for years and eliminates corrugated board and wood from landfills. Damaged units are returned to our facilities and recycled into new cases and pallets. PBV also uses recyclable shrink film on other products to 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

To Create Harmony with Society -Cultural and Social Contribution-

■ Relations with the Local Community

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

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

To Create Harmony with Employees -Diversity Management-

■ Relations with Employees

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.



Fresh Fruit Friday at Pepsi Bottling Ventures

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.



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.

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	http://www.beamsuntory.com/



Company Overview and Philosophy

Beam Suntory, a world leader in premium spirits, has made long-term commitments to sustainability across every facet of its value chain, from seed to sip - a program known as Proof Positive. These 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 its stakeholders.

Proof Positive targets for 2030 and 2040 include:

NATURE POSITIVE



Through investments in efficient technology and cleaner fuels, Beam Suntory has reduced water use per unit of production by 22 percent* and reduced greenhouse gases emitted by direct operations by 19 percent+. Building on this progress to reduce its environmental footprint, Beam Suntory is setting bold targets across its value chain focused on protecting the environment. Goals include:

- **Reducing greenhouse gas emissions** (GHG) by 50 percent across direct operations by 2030, with an ambition to remove more carbon than is emitted across the entire value chain by 2040. Notably, the Fred B. Noe Craft Distillery, set to open later this year in Clermont, KY, will be the company's first distillery powered by renewable energy, and Beam Suntory sites around the world have begun transitioning from higher carbon fuels, like coal and fuel oil, to lower carbon fuels, such as natural gas and liquefied petroleum gas. The company has also begun evaluation of options to transition to renewable fuels across distilleries globally.
- **Reducing water usage** for every unit of production by 50 percent by 2030 and replenishing more water than is used in direct operations to water sources, shared with local communities and nature, by 2040. Beam Suntory's Natural Water Sanctuary Program is inspired by Suntory's unwavering dedication to sustainable water quality. It reflects an ongoing commitment to protecting the source of water for future use in its spirits and for surrounding communities. Both Maker's Mark and the James B. Beam Distilling Co. have established Natural Water Sanctuaries in Kentucky to protect local water sources that are vital to the crafting of bourbon.
- **Planting more trees than those harvested to make whiskey barrels** - a commitment to plant 500,000 trees annually by 2030. With Beam Suntory's iconic bourbon brands aging only in new charred oak barrels, the world category leader is stepping up to ensure a sustainable source of American White Oak for future use in production, and to support sustainable forestry practices.
- Working only with **suppliers that use sustainable practices** by 2040.
- **Using 100 percent recyclable packaging** and 40 percent recycled materials by weight across the packaging portfolio by 2030.

CONSUMER POSITIVE



Beam Suntory provides tools for consumers to make positive choices for their personal wellbeing and impact on others through its Drink Smart program (www.drinksmart.com), partners with organizations around the world on evidence-based programs to combat underage consumption, binge drinking and impaired driving, and provides consumers with calorie and alcohol content for its key products. To further elevate its commitment to reducing harmful drinking and empowering consumers to make the right choices for them, the company has set 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.

COMMUNITY POSITIVE



Beam Suntory will foster a more inclusive and equitable culture, while working to increase gender, racial, and ethnic representation across its business, and continue to engage and support employees around the world to volunteer their time. Goals include:

- **Reaching 50 percent women in leadership** positions globally, 45 percent racially and ethnically diverse employee representation in the US, and achieve an industry-leading sense of belonging among employees by 2030.
- **Contributing 1 million cumulative volunteer hours** to communities around the world by 2030 and continuing to invest in initiatives and organizations that support on-trade partners, build stronger communities, and promote social justice.

The company's sustainability strategy is underpinned by corporate values rooted in a strict Code of Conduct & Ethics and a rigorous Global Citizenship Policy.

Beam Suntory will disclose progress against its targets each year.

The company has already made significant progress through its purpose-driven brands and programming. Highlights include:

The James B. Beam Distilling Co.

The Fred B. Noe Craft Distillery at the James B. Beam Distilling Co. in Clermont, KY, set to open later this year, will be our first distillery powered by renewable energy, and will leverage several new sustainable technologies, including an electric boiler. The site has also installed closed-loop cooling systems, which are a solution to one-pass cooling systems, reducing water usage dramatically. This technology is a significant investment, but one that will make a large impact for years to come.

Maker's Mark

With a vision of being the industry's most sustainable homeplace, Maker's Mark has taken numerous actions, including a commitment to achieve zero waste-to-landfill by 2022, installing solar panels on barrel warehouses, and partnering with the University of Kentucky to study the DNA of the American White Oak, used for barrels to age bourbon. Maker's Mark will also seek B Corp accreditation, demonstrating the brand's sustainable approach across governance, environment, community, customers, and employees.

Sipsmith

Sipsmith achieved zero waste-to-landfill in 2020, and has achieved for B Corp accreditation, demonstrating a sustainable approach across governance, environment, community, customers, and employees.

Casa Sauza

Casa Sauza, which crafts Sauza and Hornitos Tequila, has the lowest carbon footprint and water usage rate in the Tequila industry, with respect to its distilleries, agave operations, and bottling operations. The site has transitioned from fuel oil to natural gas and installed high efficiency natural gas boilers. It has also successfully reduced water use by treating wastewater and biosolids for reuse in on-site composting operations. Casa Sauza is also part of the Charco Bendito Project, a collaborative watershed Initiative with the Beverage Industry Environmental Roundtable (BIER) and six other beverage manufacturing companies, to restore and protect the Lerma-Santiago Water Basin through reforestation, soil conservation, and aquifer recharging activities.

Courvoisier

Courvoisier has reduced carbon emissions at its distillery in Jarnac, France by leveraging high efficiency, low nitrogen oxide (NOx) burners, and in shifting transport/shipping services from diesel trucks to rail. It is also working on changes to packaging that reduce glass weight and plastic, and has also implemented changes to its farming practices, including the exploration of how bees and sheep can improve biodiversity, and purchasing wine from local, eco-certified growers.

Natural Water Sanctuaries

The Beam Suntory Natural Water Sanctuary Program is inspired by Suntory's unwavering dedication to water quality and sustainability. We are committed to expanding these programs and engaging our communities in support of these efforts. Currently, Natural Water Sanctuaries exist in Loretto, KY at Maker's Mark, and in Clermont, KY, in partnership with the Bernheim Arboretum & Research Forest.

Watershed Protection & Planning

Beam Suntory is committed to watershed protection and planning. This includes watershed mapping, water quality testing, preservation and protection activities, and water quantity and supply planning. This work is underway at eight sites located in Kentucky, Mexico, India, St. Croix, Ireland, and Scotland.

University of Kentucky

Beam Suntory has established the James B. Beam Institute for Kentucky Spirits at the University of Kentucky, a \$5 million gift that supports a curriculum to educate the next generation of distillers. Beam Suntory's partnership with the University of Kentucky, additionally supported by the Suntory Institute for Water Science, aims to develop watershed balance across its Kentucky distilleries, and ongoing monitoring of preservation and protection activities.

Responsibility

As a founding member of the International Alliance for Responsible Drinking (IARD), Beam Suntory, alongside industry peers, has made significant strides to address alcohol-related harm through the establishment of high industry standards designed to prevent underage consumption and harmful drinking. Beam Suntory is also a member of social aspects organizations around the world, and supports work in addressing the greatest risks of alcohol-related harm, including Drinkwise in Australia, Drinkaware in the UK, AWARE.org in South Africa, and Responsibility.org in the US, among many others. Beam Suntory further provides consumers with tools and information through Drink Smart, our global educational platform to promote responsible choices about alcohol.

Volunteerism

Beam Suntory employees are passionate about giving back, forming strong relationships with community organizations to make a difference locally. The company's global commitment to volunteerism continues to grow - it held the first global day of service, Together for Good, in 2019, and expanded the Beam Suntory Cares Days program, which encourages employees to take up to three paid days off annually to volunteer for meaningful causes or to engage in social activism.

More information about Proof Positive can be found at: <http://www.beamsuntory.com/sustainability>.

Château Lagrange S.A.S.

Head Office	33250, Saint-Julien Beychevelle, France
Established	December 15, 1983
Business activities	Production and sales of wines
Website	http://www.chateau-lagrange.com



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.



Primary CSR Activities

To Create Harmony with Customers and Partners Products and Services

■ 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.



Healthy, fully matured grapes cultivated with reduced agricultural chemicals

Second is the quality management of manufacturing processes. We at Château Lagrange pursue rigorous quality control by appointing a quality manager to oversee quality control in all processes, from vine pruning to product shipment. In 2007, we installed a state-of-the-art bottling line to prevent broken glass, insects, or other foreign objects from entering the bottles. We provide safe and attractive products by rigorously conducting a variety of processes, record keeping, and checks that involve quality management.



Verifying grape quality

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.



Code number printed on each bottle's cap seal

■ 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.

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

Supplying healthier and reliable products

To help our customers lead healthy lives, we have been carrying out research in conjunction with ten other wineries aimed at reducing the use of pesticides at our vineyards and elsewhere.



Research into measures against pests, using herbs

To Create Harmony with Nature -Environment-

■ Environmental Efforts

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 have also been cultivating grapes using organic farming methods on a roughly 10 ha area of vineyard from 2008 and has been 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

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.

Reducing CO₂ emissions to help combat global warming

Château Lagrange S.A.S. is one of five environmentally-friendly wineries in France that began measuring the CO₂ emissions. We always strive to revise the production process to reduce greenhouse gas emissions. For example, in 2007 we reduced electricity consumption by 8.5% by modifying our fermentation process. Moreover, 800 m² of solar panels installed on the roofs of the fermentation facility in 2019 supplies about 15% of power used at the winery.



New solar panels installed on the roofs of the fermentation facility

Promoting reuse and recycling of materials

We compost pruned vine branches and the pressed skins remaining after fermentation to reduce the quantity of fertilizer we purchase.

Also, Château Lagrange promotes the 3Rs in resource conservation throughout its operations, utilizing used wine casks, empty chemical product containers, and other materials in an effective manner. In 2011, we stopped using plastic packaging film previously used in the procurement of wine casks. We have received the ISO14001 certification in 2017 due to our continued consideration for the environment and improvements.

Preservation of Biodiversity

We strive to cultivate grapes in a sustainable manner while preserving diversity of species by adopting hedge and dense growth cultivation at vineyards. Considerations are always made about the diversity of microorganisms in the land, such as placing cut weeds between grape vines as green manure completely free from pesticides and herbicides. A French garden known for the use of colorful plants, pond where wild birds rest, and forest where small critters live along each other stretch in front of the château. There are bee nest for beekeeping in the premises and honey bees fly about from spring to summer.



40 ha of natural forest and gardens spanning the winery



Wild birds resting their wings in a Château garden

To Create Harmony with Society -Cultural and Social Contributions-

■ Relations with the Local Community

Public relations activities

Château Lagrange has a dedicated public relations manager and 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.



Gathering to deepen understanding about wine-making through a wine-making workshop

Actively involved in the local community

Participating in charity auctions, providing donations to local sporting event organizations, and hosting music festivals in the château grounds are some of the ways that Château Lagrange is actively involved in the local community. We supported the construction of the La Cité du Vin wine complex that opened in June 2016 which is shaping the Bordeaux, the holy land of wines worldwide, in cooperation with other châteaux. The Château Lagrange also helps local communities in other ways, such as supporting the internationally-famous Medoc Marathon by supplying water stations for the approximately 8,500 runners who participate each year.



Music Festival at Château Garden



La Cité du Vin



Interior of La Cité du Vin

Diversity Management

■ Relationship with Employees

Creating employee-friendly workplaces

Château Lagrange S.A.S. works to respect the rights of employees by putting in place internal employee unions. This is very unusual standard French companies which rarely connect employees throughout the company. This organization follows-up with internal events in order to deepen the friendliness between employees.



Internal employee union sky trip

Guaranteeing safety and staying healthy

Our Health and Safety Committee is responsible for ensuring employees' safety in the workplace, for example, with regards to equipment and tool inspections, verification of workplace ergonomics, product handling, safety testing, and wearing of safety gear such as shoes, hearing protection, and safety goggles. Also, the committee helps the employees manage their health by offering regular medical checkups.

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	https://www.weingut-robot-veil.com



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 Bottled – 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.

Primary CSR Activities

■ CSR Management

To Create Harmony with Customers and Partners -Products and Services-

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.



■ 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.

To Create Harmony with Nature -Environment-

■ 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.

■ Relations with the Local Community

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.



To Create Harmony with Employees -Diversity Management-

■ 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.

Respect for Human Rights

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.

Formulation of the Suntory Group Human Rights Policy

The Suntory Group establishes a policy on human rights and promotes its compliance.

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

Organization to Promote Respect for Human Rights

With the formulation of the Suntory Group Human Rights Policy, we promote respect for human rights globally through due diligence under the following organization. In addition, we will continue to respond to human rights issues in Japan through our Human Rights Education Promotion Committee, which consists of a central committee and Human Rights Promotion Committee members from each business location.

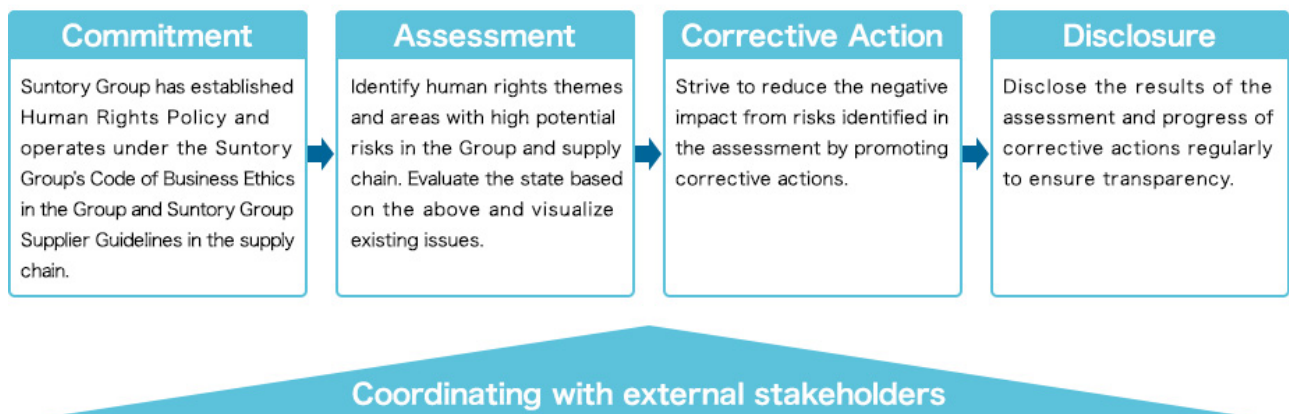
■ Promotion Organization



■ Promotion 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 the Group and supply chain under the following process.



Identifying Human Rights Risks

With the establishment of the Suntory Group Human Rights Policy, six important themes regarding human rights listed in above policy were identified in global business activities with the cooperation of experts. We will continue to assess the risks in the Group and supply chain focusing on these six themes in preparing a roadmap.

Activities for Respecting Human Rights in the 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.

■ Risk Assessment with Sedex

We joined the corporate ESG data platform Sedex, a non-profit organization that offers largest supplier ethical information sharing platform in the world, in June 2019. 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 May 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.

We have also started to implement Sedex in our won plants from 2020 to identify potential risks and gain visibility on our current level of social compliance.

*SAQ: Self-Assessment Questionnaire

■ 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 Due Diligence Related to Immigrant Workers

As addressed in the dialogue with experts in 2019, we are confirming the state of the labor conditions of immigrant workers including foreign technical intern trainees, which is one important human rights issue in Japan, starting from inside the Group. We will promote activities to formulate a roadmap based on internal surveys and interviews.

Activities on Respecting Human Rights in Local Communities

■ Access to Safe Water

As part of the strategy to promote water sustainability, we engage in dialogue with residents around our plants and promote activities related to safe access to water.

Activities on Respecting Human Rights in the Group

We carry out awareness and educational activities to improve awareness about human rights within the Suntory Group and build a corporate culture that respects human rights.

■Health Management for Employees

The Suntory Group believes health is not something simply related to “not being ill” but also to satisfy health of both body and mind, energy in everyday work, and enthusiasm. We have announced in “Health Promotion” in 2014 based on this believe and implemented area system for nursing professions and health consultation with nursing professions as well as opened in-house health information site Health-ma to promote system to improve health. From 2016, the management was appointed as Global Chief Health Officer (GCHO) and started Health Management. Health check-ups, stress checks, measures to improve life habits, and other activities are being promoted along with a KPI for health as a mid- to long-term goal to prevent physical and mental illness and diseases. The initiative coordinate with the existing work-style innovation to realize corporate life with sense of challenge and fulfilling private life.

■Promoting Diversity and Inclusion

To continue the creation of new value, in 2011 we created the Diversity Promotion Section based on our belief in the importance of actively accepting and utilizing a diverse range of human resources and personnel values irrespective of nationality, age, or other attributes. Four priority areas and five priority initiatives were set forth in 2012.

We established the Suntory Group Vision for the purpose of creating new value through diverse perspectives and approaches to a multicultural environment in 2017 and promoting diversity throughout the entire Group.

■Prevention of Harassment

An employee awareness survey, which includes questions on harassment, is carried out to understand the current status and improve current initiatives. We strive to find and solve issues as early as possible through our whistleblowing system Compliance Hotline accessible internally and externally to report harassment or other labor issues that go against our Code of Business Ethics principles.

We offer training, e-learning and other opportunities for employees learn and raise awareness about harassment in Japan. In 2020, e-learning for all employees was conducted to raise awareness about actions that need attention through case study. We are promoting initiatives designed to eliminate all forms of harassment.

■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.

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)



Evaluation from External Parties

Awards from External Parties



Questionnaire Results



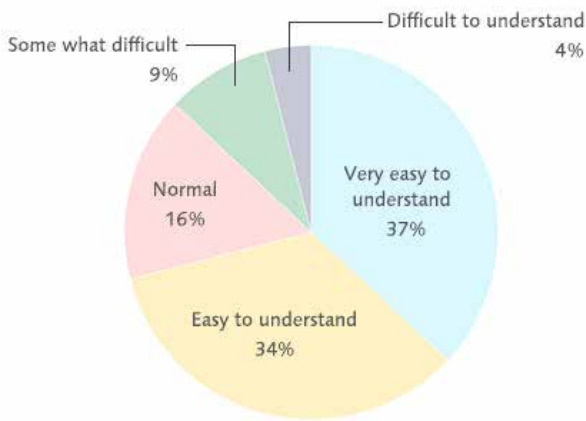
Questionnaire Results

We received feedback about Suntory Group Sustainability Report 2020 from the total of 79 readers (as of end of May 2021).

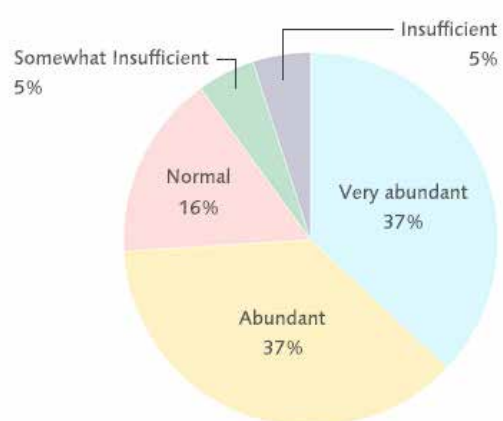
We are glad to receive high praise and many valuable opinions from the readers. We welcome any opinions or impressions you may have so that we may refer to them in our future reporting and activities. We are happy to receive high evaluation and many precious opinions from the readers.

Questionnaire results of Suntory Group Sustainability Report 2020

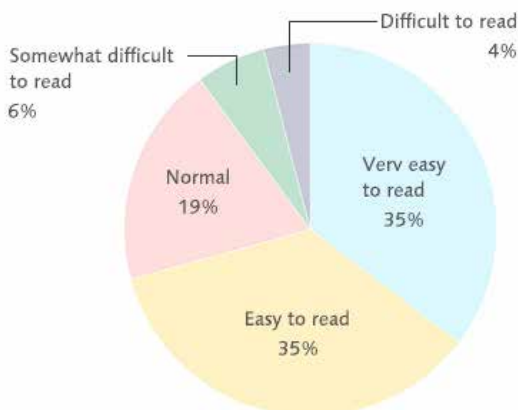
Ease of understanding



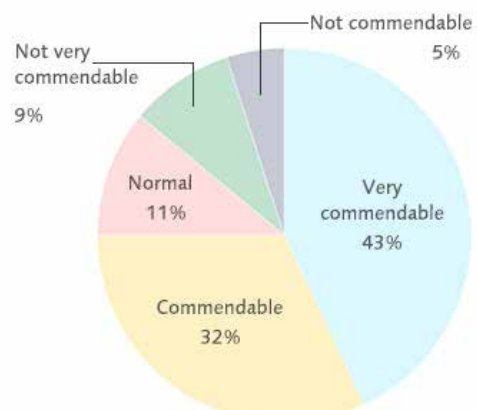
Amount of content



Ease of reading



Our Sustainability Activity



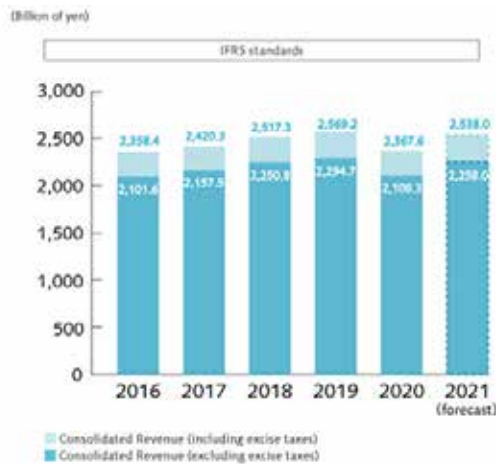
Major Sustainability Data

The Suntory Group has brought together its performance for the main indicators (management, environment, and society) on our sustainability site and other media.

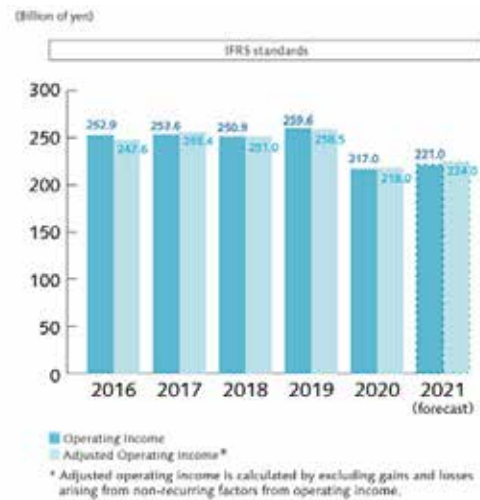
Key Financial Data

Consolidated financial Results

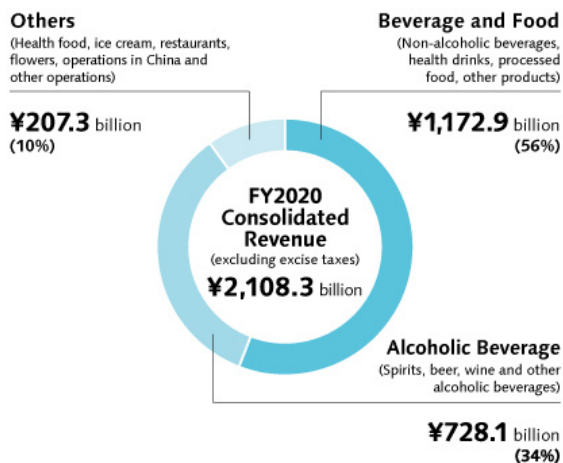
Consolidated Revenue



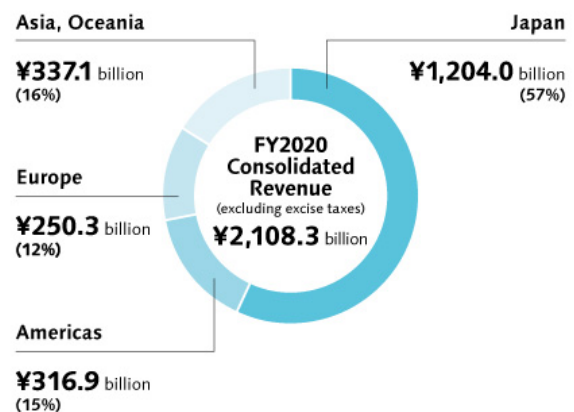
Consolidated operating income



Sales by Business Segment



Sales by Area



■ Economic contribution*

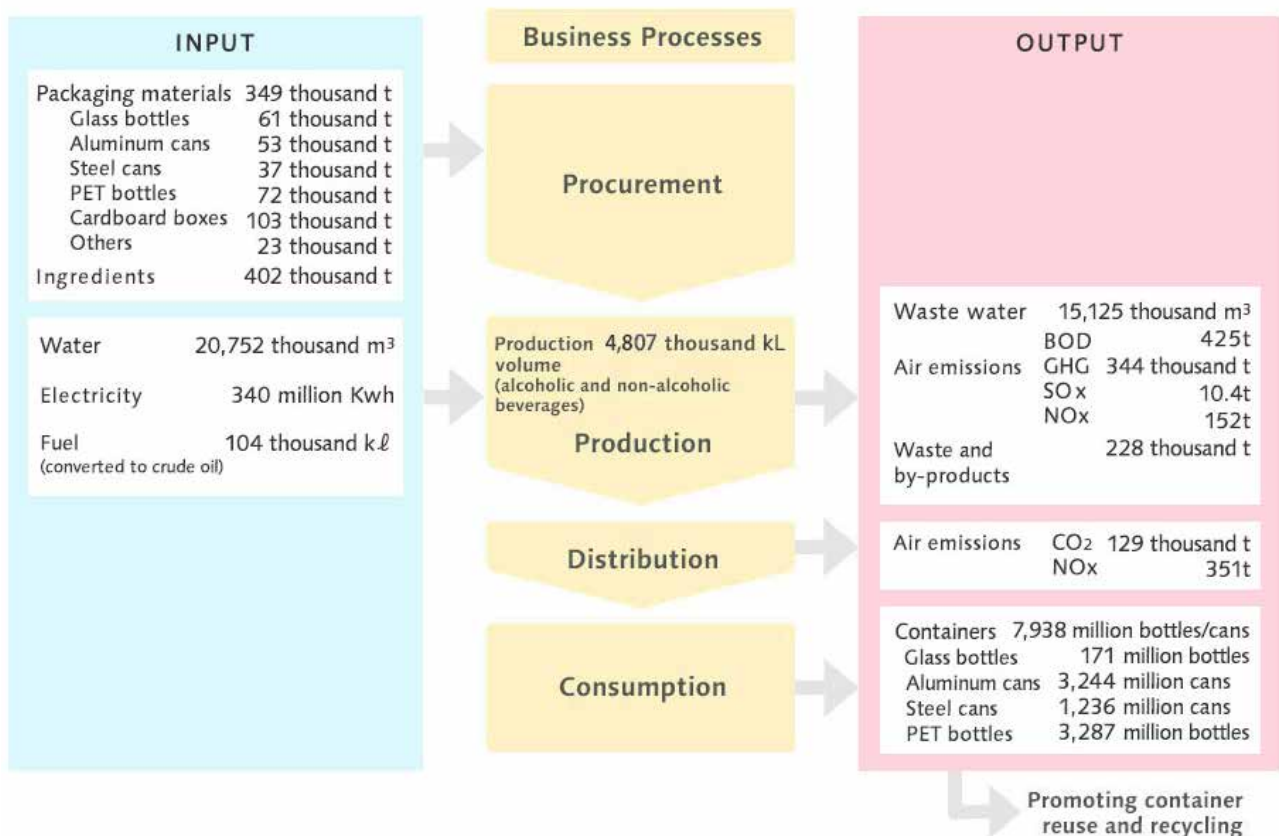
2020 Results (Billions of yen)

Economic contribution	1.a. Revenues	2,108.3
	1.b. Operating costs	788.0
	1.c. Employee wages and benefits	327.6
	1.d. Payments to providers of capital	48.5
	1.e. Payments to government	71.4
	1.f. Community investment	6.8
	2. Financial assistance received from the government	–
Financial investment contribution	1.Total capital expenditures (CapEx) minus depreciation,	24.9
	2.Share buybacks plus dividend payments,	30.5
Total R&D expenses		23.9
The total global tax borne by the company		71.4

*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

Overview of business activities and environmental impact (from January 1 to December 31 in 2020; manufacturing facilities in Japan, excluding outsourcing contractors)



*1 BOD: Biochemical Oxygen Demand An indicator of water pollution

*2 Emission factors for GHG calculation are as follows:

Fuel: Factors specified by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures. CO₂ from Electricity consumption: The adjusted emission factors for each electric company specified by the Act on Promotion of Global Warming Countermeasures.

GHG other than CO₂: Factors specified by the Act on Promotion of Global Warming Countermeasures.

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

(Period: January 1 to December 31, 2020)

(million yen)

Item			FY2018		FY2019		FY2020	
			Environmental investment	Environmental costs	Environmental investment	Environmental costs	Environmental investment	Environmental costs
Business area cost	Pollution prevention cost	<ul style="list-style-type: none"> Preventing water pollution Air pollution prevention cost, etc. 	528	2,207	348	2,151	735	2,082
	Global environmental preservation cost	<ul style="list-style-type: none"> GHG reduction Energy conservation Cogeneration Air treatment, etc. 	198	3,020	668	3,090	428	2,730
	Resource circulation cost	<ul style="list-style-type: none"> Conserving water through recirculation Reducing sludge Reusing waste Wastewater treatment cost, etc. 	287	2,720	331	3,246	153	3,413
	Total		1,013	7,946	1,347	8,486	1,315	8,225
Upstream and downstream cost	<ul style="list-style-type: none"> Commission for resource recycling containers and packaging Environmentally-friendly containers and packaging measures 	0	1,290	0	1,238	0	1,187	
Management activities costs	<ul style="list-style-type: none"> Building and maintaining Environmental Management System Sustainability Reports, Exhibits Factory greenification, etc. 	0	900	0	927	0	714	
Research and development costs	<ul style="list-style-type: none"> Research and development activities to reduce environmental impact 	8	379	28	300	9	324	
Social activities costs	<ul style="list-style-type: none"> Suntory Natural Water Sanctuary Bird Conservation Activities Suntory <i>Mizuiku</i> - Natural Water Education Program, etc. 	77	504	79	530	70	503	
Environmental damage response cost		0	0	0	0	0	0	
Total			1,098	11,019	1,454	11,480	1,394	10,953

*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, 2020)

Item				Unit	2018	2019	2020	Reduction against previous fiscal year per unit production basis
In business area costs	Pollution prevention	Reduction of pollutant emissions	SOx	Total (t)	16.4	16.8	10.4	6.1t/year
				Per Unit (g/kℓ)	3.4	3.5	2.2	
			NOx	Total (t)	147	152	152.3	-3.6t/year
				Per Unit (g/kℓ)	30.1	31.6	32.4	
	Preserving global environment	GHG emission reduction	GHG (Fuel + Electricity) Derivation	Total (thousand t)	355.9	350.5	343.7	-8.0 thousand t/year
				Per Unit (kg/kℓ)	73.0	71.2	72.9	
		Reduction of energy consumption	Fuel	Crude oil conversion (thousand kℓ)	102	103	104	-2,716kℓ/year
				Per Unit (L/kℓ)	20.9	21.5	22.1	
			Electricity	Total amount (million kWh)	335	341	340	-6,545 thousand kWh/year
				Per Unit (kWh/kℓ)	68.5	70.9	72.3	
	Resource circulation	Reduction of water resource use	Water use	Total amount (thousand m ³)	22,161	21,310	20,752	92 thousand m ³ /year
				Per Unit (m ³ /kℓ)	4.5	4.4	4.4	
Reduction of waste emissions		By-products and waste emissions	Total (t)	257,951	251,454	228,355	17,626t/year	
			Per Unit (kg/kℓ)	52.7	52.3	48.6		
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	FY2018	FY2019	FY2020
Income from recycling (sales of byproducts)* ¹	355	359	305
Cost saved by conserving energy* ²	429	-321	-242

*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 >

Water Use Performance 2020

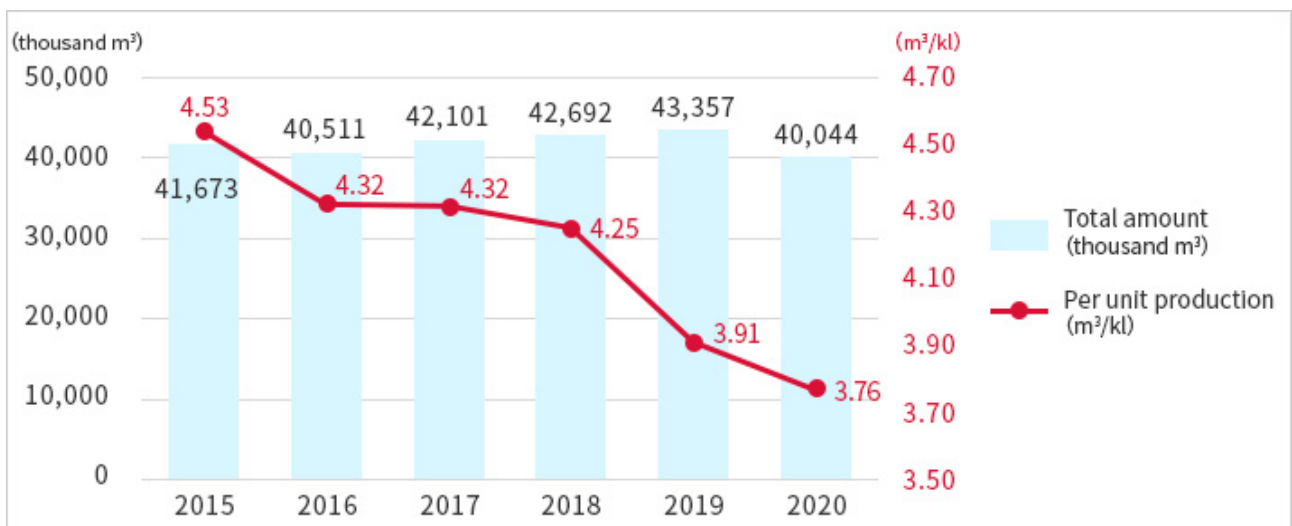
Area	Water use (thousand m ³)	Change in the amount of usage per unit production from the base year 2015
Japan	20,752	-
Americas	6,911	-
Europe	5,454	-
Asia	6,380	-
Oceania	444	-
Africa	103	-
Total	40,044★	17.0% decrease

*Data covers 26 production plants in Japan and 64 production plants overseas

*Therein, the water use by Suntory Beverage & Food Group companies in Japan and overseas was 21,992 thousand m³★

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

Water use



*Data covers 26 production plants in Japan

*Per unit production is the amount of usage per kiloliter produced

-Result: Total amount decreased by 3.8% and 2.2% per unit production compared to previous year

■ Amount of water usage by water source

Intake source	Amount of water (thousand m ³)		
	2018	2019	2020
Groundwater	20,620	18,687	17,752
Rivers/lakes	12,762	12,873	10,858
Rain water	1	0	0
City water	9,309	11,797	11,434
Water supplied from external sources (recycled water)	0	0	0
Total	42,692	43,357	40,044

*Data covers 26 production plants in Japan and 64 production plants overseas

■ Water discharge

Destination	Waste Water (thousand m ³)		
	2018	2019	2020
Rivers/lakes	15,732	14,481	13,611
Sea	153	1,061	967
Sewers	8,364	8,707	8,473
Others (for watering plants, etc.)	28	61	55
Total	24,277	24,310	23,106

*Data covers 26 production plants in Japan and 64 production plants overseas

*Therein, the waste water from Suntory Beverage & Food Ltd. plants in Japan and overseas amounts to 12,326 thousand m³

■ Preventing Global Warming

Scope 1/Scope 2 emissions

Area	GHG emissions (thousand tons)	The change in the amount of emissions from the base year 2019
Japan	417	-
Americas	168	-
Europe	97	-
Asia	177	-
Oceania	13	-
Africa	5	-
Total	877(Scope1 : 554 ; Scope2 : 324)	13.5% reduction

*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 877 thousand tons listed above, Scope 1 and 2 emissions from 26 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 853 thousand tons ★ (Scope 1: 531 thousand tons ★, Scope 2: 321 thousand tons ★).

*Among the 877 thousand tons listed above, GHG emissions from the Suntory Beverage & Food Group are 484 thousand tons. Among the 484 thousand tons, Scope 1 and 2 emissions from 9 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 460 thousand tons★ (Scope 1 : 222 thousand tons★ ; Scope 2 : 238 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 CO₂:

For 26 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.

*The above emissions do not take into account the emissions offset by purchasing carbon credits. If the offset emissions which are approximately 110 thousand tons, are taken into account, the total of Scope 1 and 2 emissions will be 764 thousand tons in 2020. (Carbon credits we purchased were generated from projects, such as a project facilitating reforestation for Guangxi watershed management in Pearl River Basin supported by the Bio Carbon Fund of the World Bank.)

■ Scope 3 Emissions

Suntory Group

Category	Emissions (thousand tons)	Calculation Method
1. Purchased goods and services	3,958★	[Raw Materials and Packages] Calculated by multiplying the weight of raw materials and packaging materials purchased for products manufactured and sold by the food and liquor businesses of the Suntory Group (in Japan and overseas) by the emission factor. 40% of entire GHG emissions of this category are calculated by using emission factors based on actual suppliers' GHG emissions equivalent to those purchased goods. [Subcontractors] Calculated by multiplying the production volume sold by the Suntory Group (in Japan) by the emission factor.
2. Capital Goods	309	Calculated by multiplying the amount of capital expenditure by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	114	Calculated by multiplying the amount of energy consumed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
4. Upstream transportation and distribution	236	Calculated by multiplying the transportation volume in tons-km of goods owned by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
5. Waste generated in operations	12	Calculated by multiplying the weight of waste disposed by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
6. Business travel	3	Calculated by multiplying the amount of business travel expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
7. Employee commuting	15	Calculated by multiplying the amount of commuting expenses of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
8. Upstream leased assets	10	Calculated by multiplying the floor area of distribution centers rented by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
9. Downstream transportation and distribution	211	Calculated by multiplying the transportation volume and sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
10. Processing of sold products	0	None
11. Use of sold products	43	Calculated by multiplying the sales volume of goods of the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
12. End-of-life treatment of sold products	286	Calculated by multiplying the weight of packaging materials for products sold by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.
13. Downstream leased assets	511	Calculated by multiplying the amount of electricity used by vending machines leased by the food and liquor businesses of Suntory Group (in Japan and overseas) by emission factors.

14. Franchises	0	None
15. Investments	0	None
Total	5707	

*Data for the food and liquor businesses 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	2,804★	[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 factor. 31% of entire GHG emissions of this category are calculated by using emission factors based on actual suppliers' GHG emissions equivalent to those purchased goods. [Subcontractors] Calculated by multiplying the production volume sold by the Suntory Beverage & Food Group (in Japan) by the emission factor.
2. Capital Goods	186	Calculated by multiplying the amount of capital expenditure of Suntory Beverage & Food (in Japan and overseas) by emissions factors.
3. Fuel and energy-related activities not included in Scope 1 or 2	62	Calculated by multiplying the amount of energy consumed by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
4. Upstream transportation and distribution	162	Calculated by multiplying the transportation volume in tons-km of goods owned by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
5. Waste generated in operations	6	Calculated by multiplying the weight of waste disposed by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
6. Business travel	2	Calculated by multiplying the amount of business travel expenses of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
7. Employee commuting	11	Calculated by multiplying the amount of commuting expenses of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
8. Upstream leased assets	8	Calculated by multiplying the floor area of distribution centers rented by Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
9. Downstream transportation and distribution	175	Calculated by multiplying the transportation volume and sales volume of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
10. Processing of sold products	0	None
11. Use of sold products	36	Calculated by multiplying the sales volume of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emission factors.
12. End-of-life treatment of sold products	261	Calculated by multiplying the weight of packaging materials for products sold by of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.

13. Downstream leased assets	475	Calculated by multiplying the amount of electricity used by vending machines leased by of goods of Suntory Beverage & Food (in Japan and overseas) by corresponding emissions factors.
14. Franchises	0	None
15. Investments	0	None
Total	4187	

*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 ★.

■ Preventing Air Pollution

SOx emissions

	2018	2019	2020
Emissions (t)	16.4	16.8	10.4
Per Unit (g/kℓ)	3.4	3.5	2.2

*26 production plants in Japan

NOx emissions

	2018	2019	2020
Emissions (t)	147.0	152.0	151.6
Per Unit (g/kℓ)	30.1	31.6	32.2

*26 production plants in Japan

Quantity of equipment that uses PCB (as of January 2021)

	Stored	Used	Total owned
Capacitor	3	0	3
Transformer	5	0	5
Stabilizer for lighting device	11	0	11

■ Byproducts and Waste Generation Performance 2020

Area	Emissions (thousand tons)
Japan	228
Americas	154
Europe	95
Asia	31
Oceania	7
Africa	0
Total	516★

*Data covers 26 production plants in Japan and 64 production plants overseas

*Therein, the byproducts and waste generated by Suntory Beverage & Food Group companies in Japan and overseas amount to 150 thousand tons★

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

By-products and waste generation



*Data covers 26 production plants in Japan

By-products and Waste generation, recycling rate and the purpose of use for recycled products

Type of waste	Main Purpose of Use	2016		2017		2018		2019		2020	
		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	185,227	100	195,334	100	187,818	100	181,524	100	164,185	100
Sludge (excess sludge, etc.)	- Fertilizer	27,547	100	30,351	100	30,472	100	31,245	100	30,275	100
Wood waste (cask, palletes)	- Animal feed - Fertilizer	2,123	100	1,314	100	4,435	100	2,458	100	5,186	100
Glass and ceramic scrap	- Glass materials - Base course material	3,772	100	3,508	100	3,216	100	2,825	100	2,285	100
Paper scraps (cardboards, paper labels, etc.)	- Recycled paper - Cardboard materials	5,184	100	6,349	100	6,228	100	6,429	100	5,520	100
Plastic	- Palette - Solid fuel - Supplementary fuel	4,956	100	5,918	100	6,138	100	6,338	100	6,033	100
Metal scraps (aluminum, steel)	- Aluminum - Steel ingredients	3,039	100	2,958	100	3,240	100	3,270	100	3,314	100
Other		12,729	100	12,632	100	16,405	100	17,365	100	11,558	100
Total		244,604	100	258,365	100	257,951	100	251,454	100	228,355	100

*Data covers 26 production plants in Japan

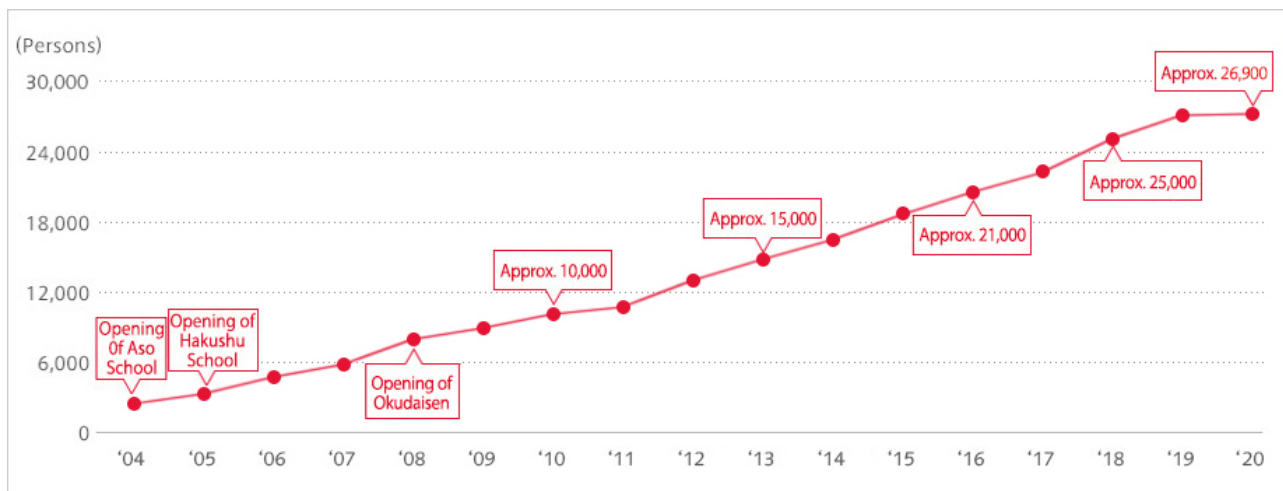
Environmental Education for Employees

■ FY2020 Environmental Training

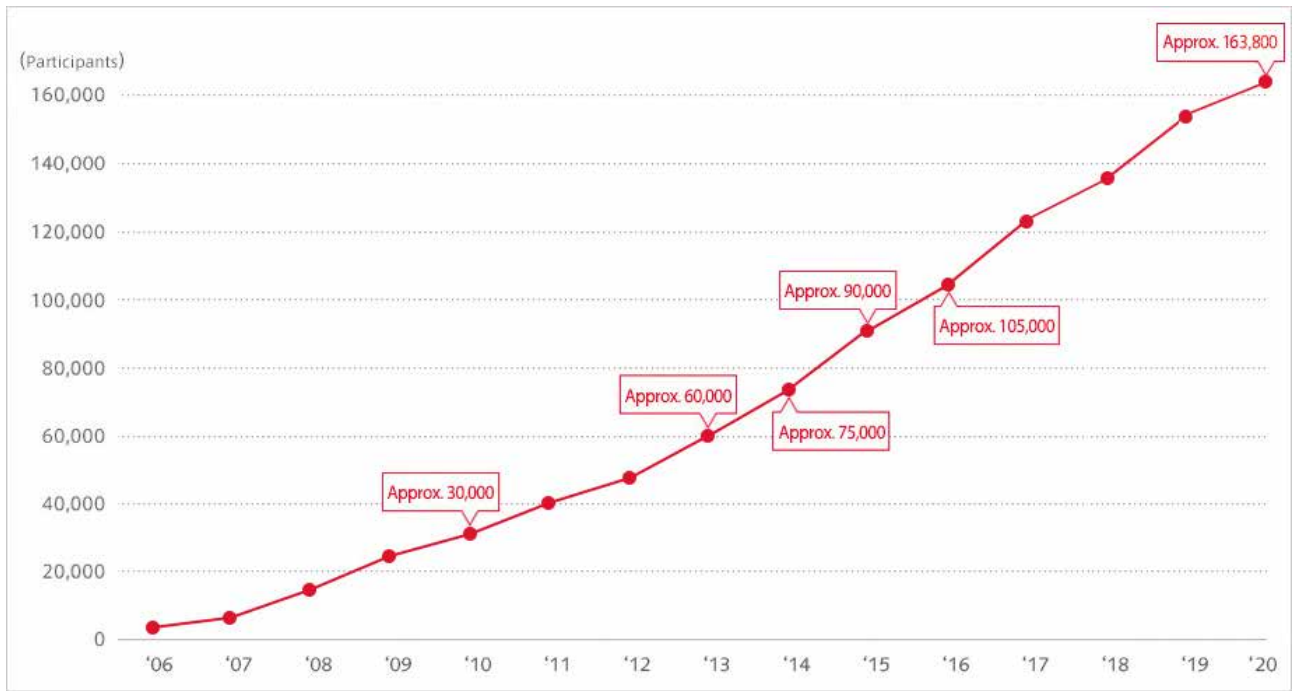
Name	Target	Number of participating employees
Onboarding training (environmental management class)	New employees	All
ISO14001 awareness and special education	Plant employees	All
Sustainability management training (e-learning, etc.)	Group employees in Japan	19,585
Training for newly appointed employees in charge of ISO14001	Employees in charge of ISO14001	16
Internal ISO14001 auditor training	Internal ISO14001 auditor	48
Eco-products seminar	Employees in charge of product development	56
Environmental Law Training	Employees from relevant departments	56
Wastes Disposal and Public Cleansing Act seminar	Employees from relevant departments	295

Outdoor School of Forest and Water

■ Total number of participants at the Suntory Mizuiku - Natural Water Education Program Outdoor School of Forest and Water (total of three schools)



■ Total number of participants for Teaching Program at Schools



Social Data

■ Employment Status

2020 data for employees that work in the Suntory Group is provided.

■ Number of Employees (as of December 31, 2020)

(employees)

	2016			2017			2018			2019			2020		
	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total	SHD	SBF	Total
Male	41	14	55	45	13	58	43	14	57	44	14	58	44	14	58
Female	4	1	5	2	3	5	2	3	5	1	3	4	1	3	4
Executives	45	15	60	47	16	63	45	17	62	45	17	62	45	17	62
Managers															
Male	1,422	627	2,049	1,432	643	2,075	1,459	654	2,113	1,497	668	2,165	1,541	686	2,227
Female	185	34	219	200	40	240	217	40	257	231	42	273	239	47	286
Members	3,405	950	4,355	3,433	965	4,398	3,431	968	4,399	3,387	960	4,347	3,362	931	4,293
Employees	5,012	1,611	6,623	5,065	1,648	6,713	5,107	1,662	6,769	5,115	1,670	6,785	5,142	1,664	6,806
Male	161	42	203	106	31	137	80	28	108	89	30	119	114	38	152
Female	82	22	104	79	19	98	87	113	200	90	115	205	85	128	213
Contract employees, etc.*	243	64	307	185	50	235	167	141	308	179	145	324	199	166	365
Temporary staff	560	52	612	567	63	630	573	66	639	543	58	601	526	57	583

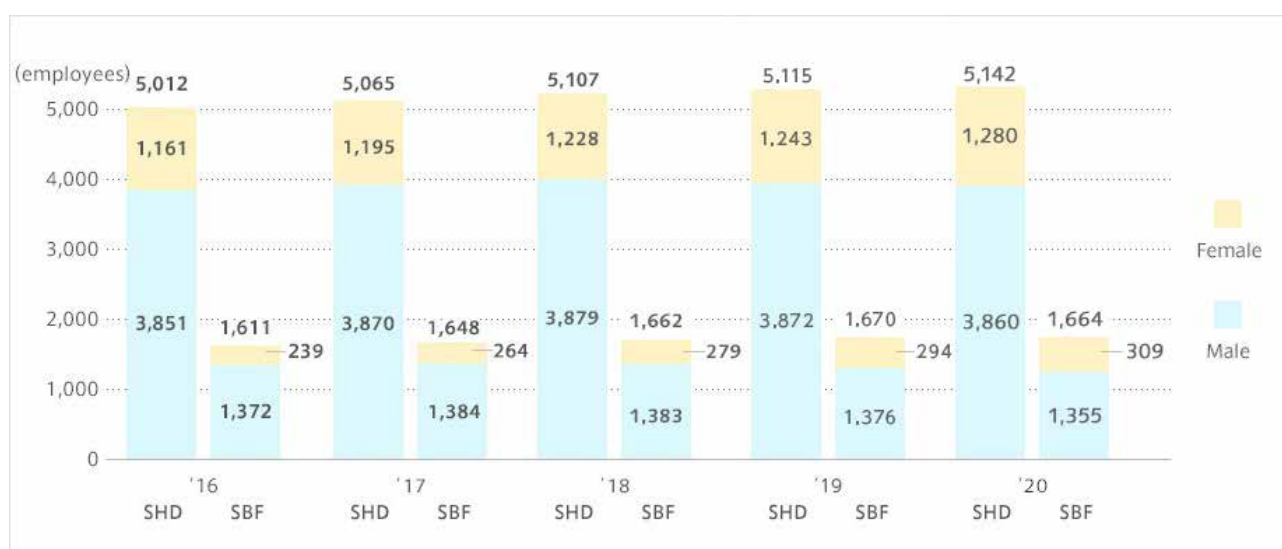
*Contract and temporary employees: Special contract employees, part-time employees, added SBF partner employees from 2018.

*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, 2020)



*SHD: Suntory Holdings Ltd.

*SBF: Suntory Beverage & Food Ltd.

Average age and average length of employment (as of December 31, 2020)

	2016		2017		2018		2019		2020	
	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
Average age	40.8	42.0	41.3	42.3	41.7	42.6	42.1	42.8	42.4	42.9
Average tenure	16.6	17.6	17.1	17.8	17.5	18.1	17.7	18.3	17.9	18.4

*SHD: Suntory Holdings Ltd.

*SBF: Suntory Beverage & Food Ltd.

Number of Employees

(employees)

			2016		2017		2018		2019		2020	
			SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF	SHD	SBF
New graduates	Male		79	20	68	17	69	16	70	24	66	20
	Female		43	19	48	20	45	16	47	18	49	18
Experienced workers	Male		17	0	13	4	14	5	9	1	8	3
	Female		7	5	2	7	11	5	5	0	16	1
Total			146	44	132	48	139	42	131	43	139	42
Experienced workers ratio											17%	10%

*SHD: Suntory Holdings Ltd.

*SBF: Suntory Beverage & Food Ltd.

Number of Resignees and Reasons/turnover Rate

(employees)

	2016	2017	2018	2019	2020
Retirement* ¹	39	39	66	89	128
Personal circumstances* ²	53	43	57	54	48
Corporate circumstances* ³	0	2	1	0	0
Other	7	4	8	2	7
Total* ⁴	99	88	132	145	183
Turnover rate* ⁵	0.80%	0.67%	0.86%	0.80%	0.71%

*1 Retirement includes flexible-age retirement

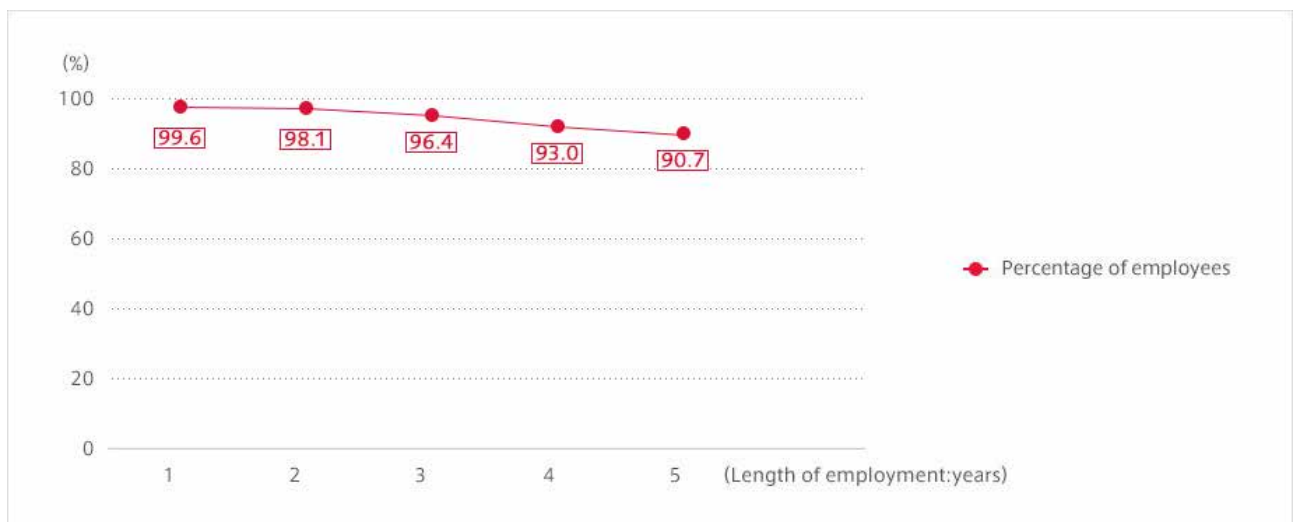
*2 Resignees of Suntory Beverage & Food (domestic) were 8 in 2015, 6 in 2016, 11 in 2017, 7 in 2018, and 11 in 2019.

*3 Company circumstances include factory closings and selling of business. Individual circumstances include employment transfers.

*4 Covers employees

*5 The turnover rate is calculated excluding mandatory age retirement

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 2013 to 2015.

Female employment data



Number of male and female employees by Management or Non-management position



*December 31, 2020

*This is the total of Suntory Holdings Ltd. and Suntory Beverage & Food Ltd.

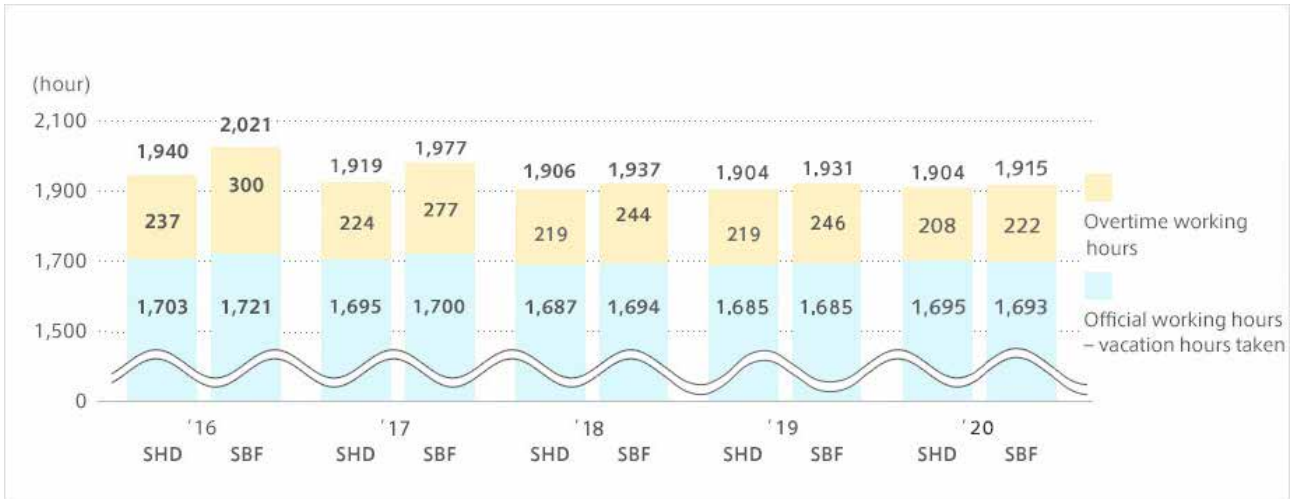
Number of employees with disabilities and employment rate (as of Friday, June 01, 2020)



*SHD: Suntory Holdings Ltd.

*SBF: Suntory Beverage & Food Ltd.

Total actual annual working hours

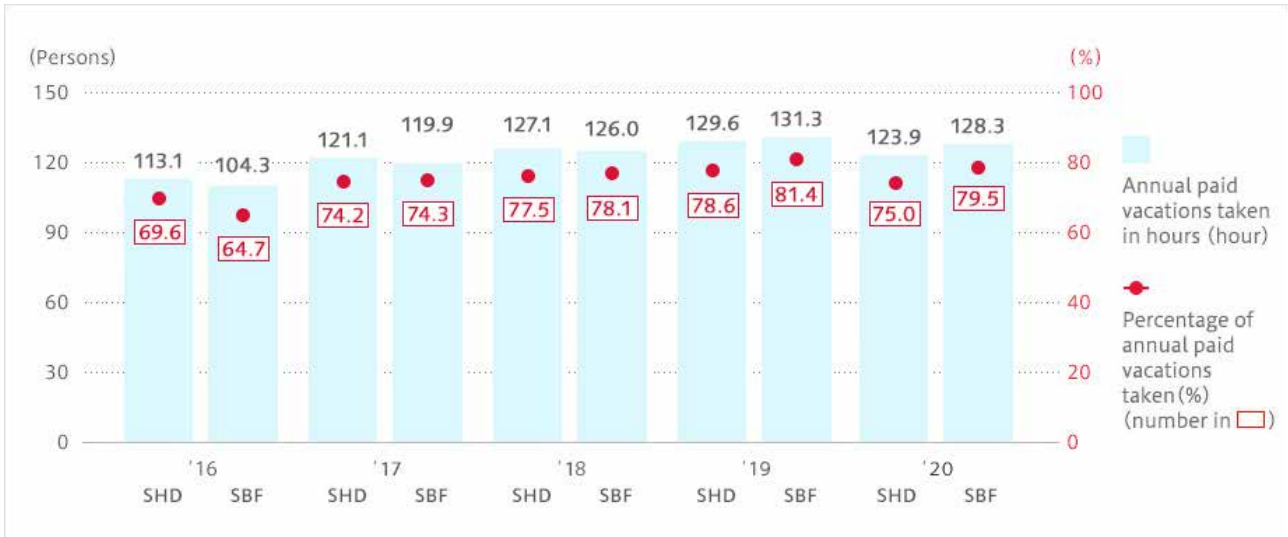


*Official working hours in the standard Suntory Group offices are 7.5 hours a day, 121 vacation days and the annual total official working hours is 1,830 hours.

*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)

		2014	2015	2016	2017	2018	2019	2020	
				SHD+SBF	SHD+SBF	SHD+SBF	SHD+SBF	SHD+SBF	
Child and nursing care	Childcare leave	205	247	298	339	304	291	304	
	Shortened and staggered working hour for child care	Male	-	-	102	56	133	111	122
		Female	-	-	196	54	171	180	182
	Newly taking childcare leave	118	143	180	229	75	74	67	
	Number of employees returning after childcare leave	Male	-	-	-	155	117	114	127
		Female	-	-	-	70	75	75	79
	Number of employees that resigned during childcare leave	Male	-	-	-	0	0	0	0
		Female	-	-	-	3	0	0	0
	Ratio of employees returning after childcare leave	Male	-	-	-	100.0%	100.0%	100.0%	100.0%
		Female	-	-	-	95.9%	100.0%	100.0%	100.0%
	Number of employees remaining at end of the year after taking childcare leave previous year	Male	-	-	-	102	152	135	122
		Female	-	-	-	196	169	165	176
	Number of Employees Returning from Child Care Leave	Male	-	-	-	100%	97.44%	100.0%	100.0%
		Female	-	-	-	98.5%	92.35%	96.5%	98.0%
	Shortened and staggered working hour for child care	195	192	225	216	217	178	122	
	Nursing leave	2	1	2	2	3	2	1	
Shortened and staggered working hour for nursing care	2	3	0	0	0	2	0		
Telecommuting Program*	3,196	3,577	4,460	4,845	5,176	5,674	6,696		
Child support leave	Child support leave	663	464	539	583	599	650	555	
	Home helper	0	2	1	2	1	4	3	
	At home child care service	37	16	26	29	34	44	37	
Vacation	Refresh leave	791	933	702	801	824	886	485	

Other Development Programs in Japan

Name	Description	Number of participants 2020	2011 ~2020
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.)	9	76
Company sponsored MBA	Sending talented high potential employees to overseas top business schools to study in global environment.	2	29
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.	13	93

Main self-development programs and the number of participants in FY2020

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	845
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.	223
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.	1,972
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	66

*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

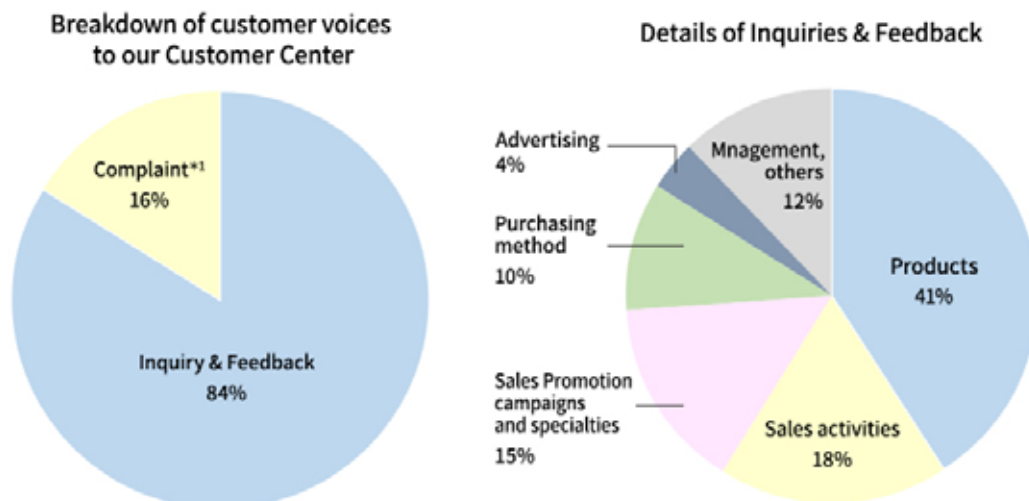
(accidents)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Number of occupational accidents (including paid leave and substitute leave)	3	3	2	3	4	0	6	1	3	0	3
Number of occupational accidents not accompanied by lost work time	14	10	8	12	13	8	18	12	21	14	13
Number of accidents resulting fatality				0	0	0	0	0	0	0	0
Total	17	13	10	15	17	8	24	13	24	14	16
Lost time injury/illness frequency rate	0.31	0.30	0.20	0.17	0.34	0.00	0.47	0.08	0.23	0.00	0.20★
Lost time injury/illness severity rate	0.002	0.005	0.009	0.002	0.004	0.000	0.003	0.000	0.001	0.000	0.010

*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 BWS Ltd., Suntory Spirits Ltd., Suntory Beer Ltd., Suntory Wine International Ltd., Suntory Liquors 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 2020: Approx. 60,000)



*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	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

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
Organizational profile			
102-1	Name of the organization	a. Name of the organization	• Company 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.	• Corporate 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.	• Corporate 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.	• Corporate 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"> • Sustainable Procurement • Quality Assurance from a Customer Perspective in All Processes
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>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"> • Business Activities and Environmental Impact • Environmental Management
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"> • Reducing Harmful Drinking: Global Initiatives to Reduce Alcohol Issues • Suntory's Sustainable Management: Joining the United Nations Global Compact, Signing the CEO Water Mandate • Environmental Vision
102-13	Membership of associations	a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.	
Strategy			
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"> • Top Commitment
102-15	Key impacts, risks, and opportunities	a. A description of key impacts, risks, and opportunities.	<ul style="list-style-type: none"> • Business Activities and Environmental Impact: Assessing Water Risk • Sustainability Vision • Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
Ethics and integrity			
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"> • Suntory's Sustainable Management: Suntory Group's Corporate Philosophy
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"> • Compliance: Enhancing the Hotline for Early Discovery and Resolution of Problems

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"> · Corporate Governance · Environmental Management: Sustainability Management Promotion System · Sustainability Vision: Promoting Sustainability Management
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"> · Environmental Management: Sustainability Management Promotion System · Sustainability Vision: Promoting Sustainability Management
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"> · Corporate Governance · Environmental Management: Sustainability Management Promotion System · Sustainability Vision: Promoting Sustainability Management
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"> · Dialogue with Society
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>	
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"> • Sustainability Vision: Promoting Sustainability Management
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"> • Basic Concepts and Operations for the Internal Control System
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"> • Risk Management • Basic Concepts and Operations for the Internal Control System
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"> • Sustainability Vision: Promoting Sustainability Management
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>	
102-33	Communicating critical concerns	<p>a. Process for communicating critical concerns to the highest governance body.</p>	<ul style="list-style-type: none"> • Basic Concepts and Operations for the Internal Control System
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>	
Stakeholder engagement			
102-40	List of stakeholder groups	<p>a. A list of stakeholder groups engaged by the organization.</p>	<ul style="list-style-type: none"> • Dialogue with Society • Suntory's Sustainable Management: Relations with Stakeholders
102-41	Collective bargaining agreements	<p>a. Percentage of total employees covered by collective bargaining agreements.</p>	<ul style="list-style-type: none"> • Labor/Management Relations: Creating Employee-Friendly Workplaces
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"> • Dialogue with Society • Suntory's Sustainable Management: Relations with Stakeholders
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"> • Dialogue with Society • Labor/Management Relations

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"> • Dialogue with Society: Brainstorming sessions held in 2020 • Respect for Human Rights: Dialogue with Experts • Communicating with Customers : Responding, Sharing and Utilizing Customer Feedback
Reporting practice			
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>	
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"> • Enhancing Sustainability Activities using ISO26000: Six Prioritized Sustainability Initiatives • Suntory's Sustainable Management: Four Sustainability Initiatives • Sustainability Vision: Important sustainability themes for the Suntory Group
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"> • Suntory's Sustainable Management: Four Sustainability Initiatives • Sustainability Vision: Important sustainability themes for the Suntory Group
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>	• Editorial Policy on Sustainability Information: Time Frame
102-51	Date of most recent report	<p>a. If applicable, the date of the most recent previous report.</p>	• Editorial Policy on Sustainability Information: Published
102-52	Reporting cycle	<p>a. Reporting cycle</p>	• Editorial Policy on Sustainability Information: Published
102-53	Contact point for questions regarding the report	<p>a. The contact point for questions regarding the report or its contents.</p>	• Editorial Policy on Sustainability Information: We welcome your feedback
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"> • GRI Standards Content Index
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>	
103 : Management Approach			
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"> • Enhancing Sustainability Activities using ISO26000: Six Prioritized Sustainability Initiatives • Business Activities and Environmental Impact • Suntory’s Sustainable Management: Four Sustainability Initiatives • Sustainability Vision: Important sustainability themes for the Suntory Group

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"> • Enhancing Sustainability Activities using ISO26000: Sustainability Action Plan • Environmental Vision: Basic Principles of Suntory Group's Environmental Policy • Sustainable Procurement: The Suntory Group's Basic Policy on Supply Chain Sustainability • Respect for Human Rights: Suntory Group Human Rights Policy • Promotion of Group Quality Management: Suntory Quality Policy • Basic Policy on Social Activities : Suntory Group Basic Policy on Social Activities • Communicating with Customers : Basic Policy on Customer Satisfaction and Course of Action • Environmental Management: Sustainability Management Promotion System • Promotion of Group Quality Management • Compliance • Sustainability Vision: Promoting Sustainability Management
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"> • Enhancing Sustainability Activities using ISO26000: Sustainability Action Plan • Quality Assurance from a Customer Perspective in All Processes • To Create Harmony with Customers and Partners: Sustainability Action Plan • To Create Harmony with Nature: Sustainability Action Plan • FY2020 Targets, Results and Evaluation • To Create Harmony with Society: Sustainability Action Plan • To Create Harmony with Employees: Sustainability Action Plan • Major Sustainability Data

Topic-specific Disclosures

No	Disclosure Title	Description	Reference page title
Economic			
201:Economic Performance			
201-1	Direct economic value generated and distributed	<p>a. Direct economic value generated and distributed (EVG&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&D separately at country, regional, or market levels, and the criteria used for defining significance.</p>	
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"> • Environmental Management: Introducing Environmental Accounting • Business Activities and Environmental Impact: Quantitative Evaluation Through Natural Capital • Environmental Vision: Suntory Environmental Vision toward 2050 • Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
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>	

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"> • Basic Policy on Human Resource: Commitment to Local Employment
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"> • Suntory Natural Water Sanctuary • Bird Conservation Activities • Social Welfare • Arts, Culture and Academic Activities
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"> · Sustainable Procurement: Procurement Ratio by Supplier Region
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>	
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"> · Compliance · Risk Management: Anti-bribery
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>	Not applicable within this reporting period
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>	Not applicable within this reporting period
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"> · SBF Global Tax Policy

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	· SBF Global Tax Policy
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	· SBF Global Tax Policy
207-4	Country-by-country reporting	a. Provides a geographical distribution of an organization's economic activities, profits and tax payments	
Environment			
301: Materials			
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.	· Major Sustainability Data : Overview of business activities and environmental impact
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.	· Major Sustainability Data : By-products and Waste generation, recycling rate and the purpose of use for recycled products · Major Sustainability Data : Environmental Data
302 : Energy			
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.	· Data Sheet (Major Sustainability Data): Fuel (crude oil conversion) consumption, Power consumption

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>	<ul style="list-style-type: none"> • Data Sheet (Major Sustainability Data): Fuel (crude oil conversion) consumption, Power consumption
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"> • Data Sheet (Major Sustainability Data): Environmental Preservation Effect of Suntory Group (production sites in Japan)
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"> • Water Sustainability • Sustainable Water Philosophy • Environmental Vision : Environmental Vision toward 2050 and Environmental Targets toward 2030 • Assessing Water Risk : WRI Aqueduct Water Risk Assessment by Suntory Group's Plants

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"> i. how standards for facilities operating in locations with no local discharge requirements were determined; ii. any internally developed water quality standards or guidelines; iii. any sector-specific standards considered; iv. whether the profile of the receiving waterbody was considered. 	<ul style="list-style-type: none"> · Effective Use of Water Resources : Comprehensive Waste Water Management
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"> i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water. <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"> i. Surface water; ii. Groundwater; iii. Seawater; iv. Produced water; v. Third-party water, and a breakdown of this total by the withdrawal sources listed in i-iv. <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"> i. Freshwater ($\leq 1,000$ mg/l Total Dissolved Solids); ii. Other water ($> 1,000$ mg/l Total Dissolved Solids). <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"> · Effective Use of Water Resources : Amount of water usage by water source

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 ($\leq 1,000$ mg/l Total Dissolved Solids);</p> <p>ii.Other water ($> 1,000$ 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 ($\leq 1,000$ mg/l Total Dissolved Solids);</p> <p>ii.Other water ($> 1,000$ 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"> Effective Use of Water Resources : Water discharge
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"> Major Sustainability Data : Water use
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 km² (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>	

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"> i. construction or use of manufacturing plants, mines, and transport infrastructure; ii. pollution (introduction of substances that do not naturally occur in the habitat from point and non-point sources); iii. introduction of invasive species, pests, and pathogens; iv. reduction of species; v. habitat conversion; vi. changes in ecological processes outside the natural range of variation (such as salinity or changes in groundwater level). <p>b. Significant direct and indirect positive and negative impacts with reference to the following:</p> <ul style="list-style-type: none"> i. species affected; ii. extent of areas impacted; iii. duration of impacts; iv. reversibility or irreversibility of the impacts. 	
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"> • Natural Water Sanctuaries (Water Resource Cultivation/ Preserving Biodiversity) • Bird Conservation Activities
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"> i. critically endangered ii. endangered iii. vulnerable iv. near threatened v. least concern 	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 CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent.</p> <p>d. Base year for the calculation, if applicable, including:</p> <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. <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"> • Data Sheet (Major Sustainability Data): Scope 1/ Scope 2 emissions

305-2	Energy indirect (Scope 2) GHG emissions	<p>a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO₂ equivalent.</p> <p>c. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, 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>	<ul style="list-style-type: none"> • Data Sheet (Major Sustainability Data): Scope 1/ Scope 2 emissions
305-3	Other indirect (Scope 3) GHG emissions	<p>a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO₂ equivalent.</p> <p>b. If available, the gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p> <p>c. Biogenic CO₂ emissions in metric tons of CO₂ 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>	<ul style="list-style-type: none"> • Major Sustainability Data : Scope 3 Emissions (Suntory Group)
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 CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.</p>	<ul style="list-style-type: none"> • Data Sheet (Major Sustainability Data): CO₂ emissions
305-5	Reduction of GHG emissions	<p>a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent.</p> <p>b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, 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>	<ul style="list-style-type: none"> • Data Sheet (Major Sustainability Data): Environmental Preservation Effect of Suntory Group (production sites in Japan)
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"> i. NOx ii. SOx iii. persistent organic pollutants (POP) iv. volatile organic compounds (VOC) v. hazardous air pollutants (HAP) vi. particulate matter (PM) vii. other standard categories of air emissions identified in relevant regulations <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"> • Data Sheet (Major Sustainability Data): Preventing Air Pollution
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"> i. destination; ii. quality of the water, including treatment method; iii. whether the water was reused by another organization. <p>b. Standards, methodologies, and assumptions used.</p>	<ul style="list-style-type: none"> • Effective Use of Water Resources : Water discharge
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"> i. reuse ii. recycling iii. composting iv. recovery, including energy recovery v. incineration (mass burn) vi. deep well injection vii. landfill viii. on-site storage ix. other (to be specified by the organization) <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"> i. reuse ii. recycling iii. composting iv. recovery, including energy recovery v. incineration (mass burn) vi. deep well injection vii. landfill viii. on-site storage ix. other (to be specified by the organization) <p>c. How the waste disposal method has been determined:</p> <ul style="list-style-type: none"> i. disposed of directly by the organization, or otherwise directly confirmed ii. information provided by the waste disposal contractor iii. organizational defaults of the waste disposal contractor 	<ul style="list-style-type: none"> • Data Sheet (Major Sustainability Data): By-products and Waste Generation, Recycling rate and the purpose of use for recycled products

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
307:Environmental Compliance			
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
308:Supplier Environmental Assessment			
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>	<ul style="list-style-type: none"> Data Sheet (Major Sustainability Data): Number of employees, Number of resignees and reasons/ turnover rate
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> <ul style="list-style-type: none"> i.life insurance; ii.health care; iii.disability and invalidity coverage; iv.parental leave; v.retirement provision; vi.stock ownership; vii.Other <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>	<ul style="list-style-type: none"> Data Sheet (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
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> <ul style="list-style-type: none"> i. the system has been implemented because of legal requirements and, if so, a list of the requirements; 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>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"> Occupational Health and Safety : Achieving Zero Workplace Accidents in Manufacturing
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>	
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"> Occupational Health and Safety : Commitment to Workplace Safety
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"> Occupational Health and Safety : Occupational Health and Safety Education
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"> Health management : A Variety of Programs to Promote Employee Health
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"> Promoting Distribution Considering Safety

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"> 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; 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; 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. <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"> i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. <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"> i. The number and rate of fatalities as a result of work-related injury; ii. The number and rate of high-consequence work-related injuries (excluding fatalities); iii. The number and rate of recordable work-related injuries; iv. The main types of work-related injury; v. The number of hours worked. <p>c. The work-related hazards that pose a risk of high-consequence injury, including:</p> <ul style="list-style-type: none"> i. how these hazards have been determined; ii. which of these hazards have caused or contributed to high-consequence injuries during the reporting period; iii. actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls. <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>	<p>• Major Sustainability Data : umber of workplace accidents</p>

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"> • Promoting Diversity: Extension of Retirement to Age 65 • Data Sheet (Major Sustainability Data): Main self-development programs and the number of participants in FY2020
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"> • Development of Human Resources: Fair and Reasonable Evaluations

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"> Data Sheet (Major Sustainability Data): Number of male and female employees by Management or Non-management position
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>	
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>	

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>	
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>	Not applicable within this reporting period
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>	
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"> Respect for Human Rights : Activities on Respecting Human Rights in Local Communities
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"> • To Create Harmony with Society: Cultural and Social Contribution • Suntory Natural Water Sanctuary • Bird Conservation Activities • Suntory Mizuiku-Education Program for Nature and Water • Sports Activities • Social Welfare • Developing the Next Generation
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"> • Sustainable Procurement: Promoting Sustainability Activities Throughout the Supply Chain
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>	
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"> • Quality Assurance from a Customer Perspective in All Processes

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"> • Appropriate Information Disclosure: Voluntary Recalls
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"> • Appropriate Information Disclosure
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"> • Appropriate Information Disclosure: Voluntary Recalls
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)
Principles of Governance		
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"> • Suntory's Sustainable Management • Suntory Group Sustainability Vision
Quality of governing body		
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"> • Corporate Governance
Stakeholder engagement		
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"> • Dialogue with Society • Relations with Stakeholders • Human Rights Policy
Ethical behaviour		
Anti-corruption	<ol style="list-style-type: none"> 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. 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. 3. Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, in order to combat corruption. 	<ul style="list-style-type: none"> • The Suntory Group's Code of Business Ethics (2. Conducting business with integrity and fairness) • Risk Management (Anti-bribery)
Protected ethics advice and reporting mechanisms	<p>A description of internal and external mechanisms for:</p> <ol style="list-style-type: none"> 1. Seeking advice about ethical and lawful behaviour and organizational integrity; and 2. Reporting concerns about unethical or unlawful behaviour and lack of organizational integrity. 	<ul style="list-style-type: none"> • Compliance Promotion System • Risk Management

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"> • Risk Management • Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

Planet

Theme	Core metrics and disclosures	Page number (or link)
Climate change		
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"> 1.report in metric tonnes of carbon dioxide equivalent (tCO₂e) GHG Protocol Scope 1 and Scope 2 emissions. 2.estimate and report material upstream and downstream (GHG Protocol Scope 3) emissions where appropriate. 	<ul style="list-style-type: none"> • Scope 1/Scope 2/Scope 3 emissions • The Suntory Group's 7 Sustainability Themes
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"> • Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations • Environmental Vision toward 2050 and Environmental Targets toward 2030
Nature loss		
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>	-
Freshwater availability		
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"> • Disclosures Based on Task Force on Climate-related Financial Disclosures (TCFD) Recommendations(Water Risk Assessment Process) • Water use

People

Theme	Core metrics and disclosures	Page number (or link)
Dignity and equality		
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 · Human Rights
Health and well-being		
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.	· Number of workplace accidents · Health Management : A Variety of Programs to Promote Employee Health
Skills for the future		
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).	· Development of Human Resources

Prosperity

Theme	Core metrics and disclosures	Page number (or link)
Employment and wealth generation		
Absolute number and rate of employment	<ol style="list-style-type: none"> Total number and rate of new employee hires during the reporting period, by age group, gender, other indicators of diversity and region. Total number and rate of employee turnover during the reporting period, by age group, gender, other indicators of diversity and region. 	<ul style="list-style-type: none"> · Employment Status at Suntory Group
Economic contribution	<ol style="list-style-type: none"> Direct economic value generated and distributed (EVG&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"> – Revenues – Operating costs – Employee wages and benefits – Payments to providers of capital – Payments to government – Community investment Financial assistance received from the government: total monetary value of financial assistance received by the organization from any government during the reporting period. 	<ul style="list-style-type: none"> · Main Management Data
Financial investment contribution	<ol style="list-style-type: none"> Total capital expenditures (CapEx) minus depreciation, supported by narrative to describe the company's investment strategy. Share buybacks plus dividend payments, supported by narrative to describe the company's strategy for returns of capital to shareholders. 	<ul style="list-style-type: none"> · Main Management Data
Innovation of better products and services		
Total R&D expenses (\$)	Total costs related to research and development.	<ul style="list-style-type: none"> · Main Management Data
Community and social vitality		
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.	<ul style="list-style-type: none"> · Main Management Data