

To the Readers of the Suntory Group CSR Report 2015

Editorial Policy

Every year, the Suntory Group publishes its CSR (Corporate Social Responsibility) Report so that our stakeholders can understand the Group's ideas and activities related to fulfilling its social responsibilities, mindful of its goal of achieving a sustainable society.

The fiscal 2015 CSR report (this booklet) summarizes important activities in the six CSR prioritized initiatives and initiatives that have shown progress to convey the CSR activities of the Suntory Group in an easy to understand manner. In addition, it includes features on our on-going initiatives "Coexisting with Nature" and "Activities to Support Recovery from the Great East Japan Earthquake."

The website covers more details than this booklet and also discloses information about the Group companies in Japan and overseas and various other information. In addition, from fiscal 2015, the reporting is done in accordance with "Core" level of the 4th Edition of the Global Reporting Initiative (GRI) Guidelines.

We welcome any opinions or impressions you may have and ask that you send them to use via the company's website so that we may refer to them in our activities.

- Suntory Group reports CSR information suited for each media's characteristics as shown below.



Scope of Subjects Covered

• Organizations

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

- Environmental data covers 24 production plant in Japan and 30 production plants in overseas owned by companies that consists more than half of the Suntory Group's sales (P.27)
- For personnel data, focused on employees who have employment contracts with Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. (P.33-36)

• Time Frame

The data covers performance from January 1 to December 31, 2014. The activities covered include some of the most up-to-date events.

Guidelines Referenced

- GRI (Global Reporting Initiative), "Sustainability Reporting Guidelines 4th Edition" (G4)
- Ministry of the Environment, "Ministry of the Environment Reporting Guidelines (2012 edition)"
- ISO 26000 ("Guidance on social responsibility")

Published

August 2015 (next edition scheduled for publication August 2016)

Contact for inquiries regarding the CSR Report

Suntory Holdings Ltd.
CSR Department,
Corporate Communications Division,
Daiba 2-3-3, Minato-ku, Tokyo,
135-8631, JAPAN
TEL: +81-3-5579-1536
FAX: +81-3-5579-1755

CONTENTS

Top Message	3
Suntory Group Overview	5
The Suntory Group Around the World	7
Suntory Group's Philosophy on CSR	9

Six Prioritized CSR Initiatives	11
---------------------------------	----

Feature 1 Coexisting with Nature	
Promoting Coexistence with Nature as a Company that is Supported by the Blessings of Nature	13
Feature 2 Activities to Support Recovery from the Great East Japan Earthquake	
Continuing Activities that Support the Disaster Affected Areas to Bring Smiles and Hope	17

Prioritized Initiatives 1	
We provide products and services that contribute to the safety, reliability, and healthy lifestyles of our customers first and foremost.	21

Prioritized Initiatives 2	
We coexist with Nature by committing to "Water Sustainability" and reducing environmental impact.	25

Prioritized Initiatives 3	
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.	29

Prioritized Initiatives 4	
We celebrate diversity while promoting the career development of our employees who are all united by the "Yatte Minahare—Go for it!" spirit.	33

Prioritized Initiatives 5	
We promote CSR throughout our entire supply chain, working with our business partners.	37

Prioritized Initiatives 6	
We commit to responsible marketing and reducing harmful drinking as a leading alcoholic beverage company.	39

CSR Management	41
Corporate Governance/Risk Management/Compliance	
History of Suntory	42

We continue to meet the challenge of creating new value as a company that is "In Harmony with People and Nature."

新浪剛史

Takeshi Niinami

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

It has been over 90 years since Suntory founder Shinjiro Torii first conceived of his dream of creating a Japanese whisky suited to the delicate palate of the Japanese people. Today, Suntory is proud to have been honored as the distiller of the world's highest quality whisky for three consecutive years at the international alcoholic beverages competition International Spirits Challenge (ISC) and received the "Distiller of the Year" bestowed upon the single most outstanding distiller. We are much honored to have been so highly regarded around the world for our continuous efforts to satisfy our customers. While we have of course maintained the stance of committing to safety and reliability, we have also maintained our policy of ensuring a level of quality in the taste and aroma of our beverages as well as the convenience of our containers and other quality at point of consumption.

In May 2015, we established the "Suntory World Research Center." This Center is the new consolidated location for our fundamental research and technological development centers scattered throughout the world in order to further enhance our R&D department. As our global R&D center, it aims to both develop higher quality products and create new value through researches that lead the world.

Since our founding, the driving force behind the Suntory Group has been the spirit of "*Yatte Minabare*—Go for it!" We meet the challenges of doing things that others are not doing as well as new things to create variety of new values. Through this, Suntory aims to contribute to the realization of a more abundant and satisfying lifestyle. With the birth of Beam Suntory last year, it enabled development both alcohol and non-alcohol beverage businesses at a global scale. As a unique multi-faceted food and beverage company originating from Japan, the company aims to further contribute to a more abundant and satisfying lifestyle by providing consumers around the world with its products and services.

We set "In Harmony with People and Nature" as corporate philosophy, which embodies three ideas.

The first is the idea that we want to protect the natural environment that nurture water. The importance of water is now so widely recognized throughout the world that it can be said the 21st century is the century of water. We are a company that is sustained by the blessings of nature, and in



particular by water, so we believe that promoting environmental management for a sustainable society in order to ensure that next generations can enjoy the same abundance of nature is one of our important responsibilities. Currently, we are promoting activities to preserve and regenerate the natural environment and reduce environmental impact globally in order to reach the goals of Suntory Environmental Vision toward 2050 established in 2014.

The second is the idea that we want to be a company that enriches society like water. The spirit of our founder Shinjiro Torii's of using part of its profit for the betterment of society has been passed down to us as spirit of "Sharing the Profit with Society" until this day. In addition to social welfare activities that our founder passionately engaged in, we are also involved in the promotion of the art and culture, education and sports as well as a wide variety of programs designed to educate the next generation. Since the Great East Japan Earthquake, Suntory has donated a total of ¥10.8 billion toward the early restoration of disaster affected areas, mainly in fields such as the "fishing industry," "supporting children," "challenged sports" and "support through culture and sports."

The third is the idea that we want to continue to take on new challenges flexibly as water is. We believe that by further developing a free and flexible corporate culture in which each employee shares in the goals of the corporate philosophy, embraces great ambitions, and can express their individuality freely, we can continue to inspire and surprise consumers. As a company that works globally to promote diversity in its employees and its business, we have placed major importance on diversity in our business and promote development of highly creative talent and employee-friendly workplaces.

Based on our corporate philosophy of "In Harmony with People and Nature," we carry on the legacy of the Suntory's founder by working to realize a sustainable and vibrant society and by aiming to be a "Growing for Good" company that continually creates new value. We look forward to your ongoing support and cooperation in these endeavors.

June 2015

Suntory Group Overview

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 and Oceania, Europe, and the Americas.

Corporate Overview

Suntory Group

Group companies: 329*1

Employees: 37,613*1

Consolidated sales: 2,455.2 billion*2

Consolidated ordinary income: 153.8 billion*2

*1: As of December 31, 2014

*2: January 1 - December 31, 2014

Suntory Holdings Limited

Head Office: Dojimahama 2-1-40, Kita-ku, Osaka City, Osaka, JAPAN

Suntory World Headquarters: Daiba 2-3-3, Minato-ku, Tokyo, JAPAN

Inauguration of business: 1899

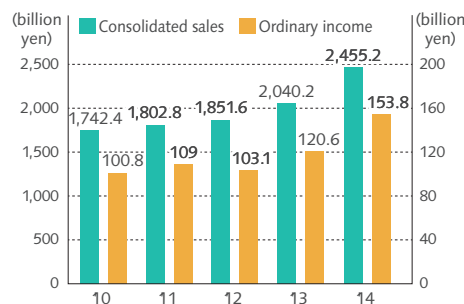
Establishment: February 16, 2009

Chairman of the Board & Chief Executive Officer: Nobutada Saji

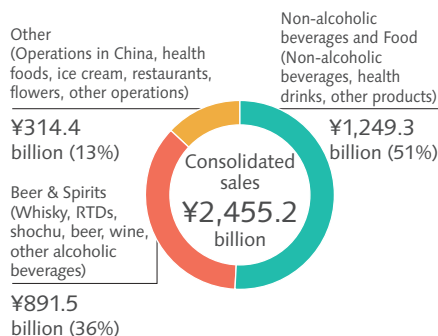
President & Chief Executive Officer, Member of the Board,
Representative Director: Takeshi Niinami

Capital: ¥70 billion

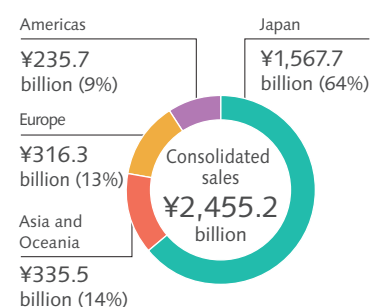
Consolidated sales and ordinary income



Sales by business segment (FY2014)

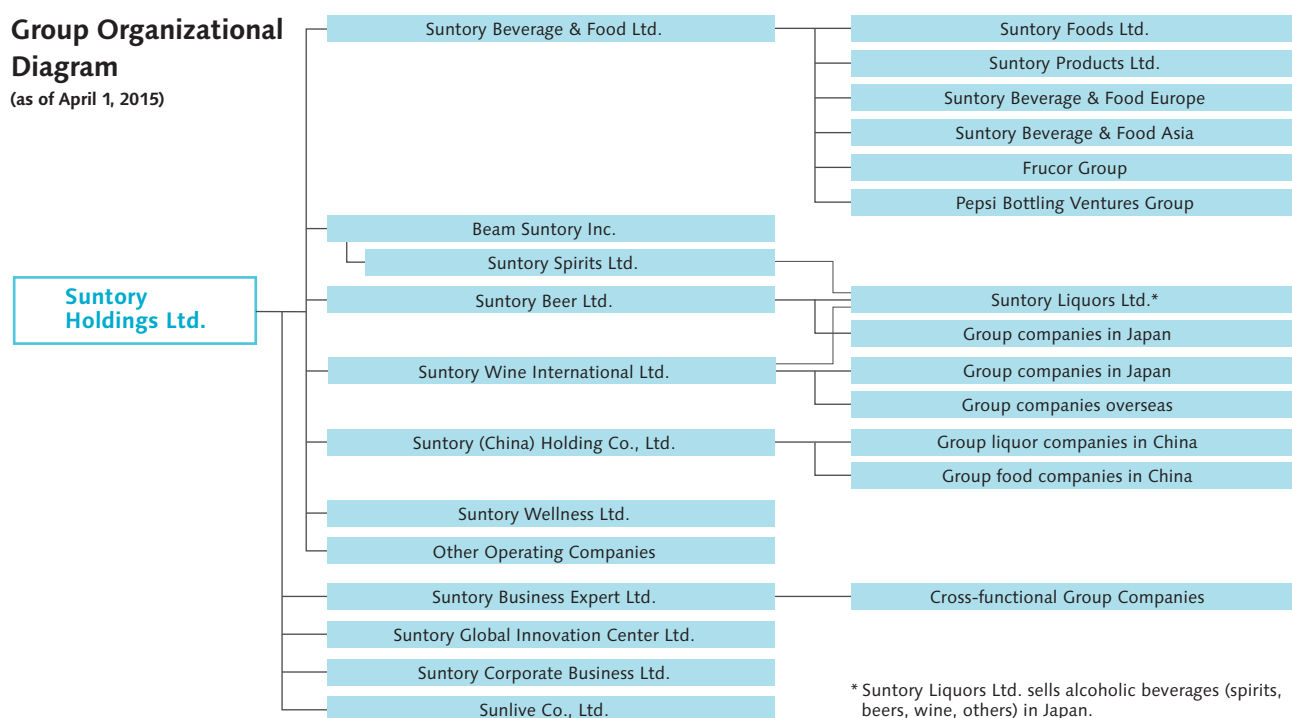


Sales by geographic region (FY2014)



Group Organizational Diagram

(as of April 1, 2015)



* Suntory Liquors Ltd. sells alcoholic beverages (spirits, beers, wine, others) in Japan.

Business Overview

● Non-alcoholic Beverage and Food Business

We deliver a variety of products ranging from non-alcoholic beverages to health foods and to ice creams so that we may contribute to our customers leading rich and healthy lives. The company has been expanding its lineup in different categories that include mineral water, coffee, green tea, oolong tea, carbonated drinks, and drinks for specified health uses. For many years, we have also been developing a health food business in which we have made use of biotechnology and scientific research on foods. Furthermore, we have been making efforts to actively expand our businesses overseas in Europe, the Asia-Oceania, and the Americas.



● Alcoholic Beverage Business

Suntory was established in 1899, starting from the production and sale of wine. Since then we have grown as an alcoholic beverage and food company, creating the first Japanese whisky, challenging ourselves to compete in the innovative beer industry, and delivering a wide selection of products to customers. Aiming for greater growth, we pursue global expansion of our spirits business through Beam Suntory Inc., and have strengthened our beer business through establishment of Suntory Beer Ltd. We engage in high quality winemaking both in Japan and Europe, and also work with noted wineries around the world, developing our wine business from a global perspective.



● Restaurants, Flowers, and Services

We are expanding our restaurant businesses both in Japan and overseas. These businesses include Dynac Corp., which develops unique and distinctive bars and restaurants, chain outlets in Japan such as Pronto, First Kitchen, Subway and Izutsu Maisen, and restaurant businesses centered in Mexico and Asia. In the flower industry we utilize biotechnologies fostered in our businesses to develop and supply a variety of products, including the world's first blue rose. Additionally, we also engage in wall-greening and other greenification businesses, advertising, promotional support, and reception services for cultural facilities.



● Cross-functional Companies and Others

Suntory has established Suntory Business Expert Ltd., which brings together operations that crosscut all Suntory Group companies, to carry out expert services related to optimization of management, quality assurance, technological development, supply chain management, advertising and design, customer relations, and business systems, while further improving the efficiency of group management.

Our cross-functional companies are responsible for services such as fundamental research and operational support. We also proactively contribute to cultural and social activities, with backing for three public interest incorporated foundations that promote the arts, academic research and local culture, and a social welfare corporation that operates senior care facilities and nursery schools.



The Suntory Group Around the World

- Non-alcoholic Beverage and Food Companies
- Alcoholic Beverage Companies
- Restaurants, Flowers, and Services Companies
- Cross-functional Companies and Others



Europe

Europe*¹ Group companies **113**
 Employees **4,679** Sales **316.3 billion**

- Suntory Beverage & Food Europe
- Orangina Schweppes
- Lucozade Ribena Suntory
- Château Lagrange S.A.S.
- Grands Millésimes de France S.A. (GMdF)
- Château Beychevelle
- Château Beaumont
- Barrière Frères S.A.
- Weingut Robert Weil

*1 Europe, Middle East and countries in Africa



Asia and Oceania*² Group companies **101**
 Employees **14,751** Sales **335.5 billion**

Asia/Oceania

- Suntory Beverage & Food Asia
- Cerebos Group
- Suntory Garuda Group
- Suntory PepsiCo Vietnam Beverage Co., Ltd.
- Tipco F&B Co., Ltd.
- Frucor Group
- Suntory (China) Holding Co., Ltd.
- Suntory Huiyuan (Shanghai) Beverage Co., Ltd.
- ASC Fine Wines Holding Ltd.
- Suntory (China) Holding Co., Ltd.
- Suntory Tsingtao Brewery (Shanghai) Co., Ltd.
- Tsingtao Brewery Suntory (Shanghai) Sales Co., Ltd.
- Wuxi Zhentai Winery Co., Ltd.
- Suntory F&B International Group
- Suntory Business Expert Asia Pte Ltd.
- Gold Knoll Ltd.

*2 Asia, Oceania and countries in South America

Names of Group companies: As of April 1, 2015
 Number of Group companies and employees: As of December 31, 2014 (total of 329 companies and 37,613 employees)
 Sales: January 1 to December 31, 2014 (total of ¥2,455.2 billion)

- Suntory Beverage & Food Ltd.
- Suntory Foods Ltd.
- Suntory Beverage Service Ltd.
- Suntory Foods Okinawa Ltd.
- Sunvend Co., Ltd.
- Suntory Products Ltd.
- Suntory Wellness Ltd.
- Connecto Co., Ltd.
- Häagen-Dazs Japan, Inc.
- Suntory Spirits Ltd.
- Suntory Allied Ltd.
- Sungrain Ltd.
- Osumisyuzo Ltd.
- Suntory Beer Ltd.
- Okinawa Suntory Ltd.
- Kyushu Suntory Techno Products Ltd.
- Suntory Liquors Ltd.
- H.B.I. Inc.
- Suntory Wine International Ltd.
- Fwines Co., Ltd.
- Iwanohara Vineyard Co., Ltd.
- Monte Bussan K.K.
- Dynac Corp.
- Pronto Corp.
- First-Kitchen Ltd.
- Subway Japan Inc.
- Izutsu Maisen. Co., Ltd.
- Suntory Flowers Ltd.

Japan

Japan Group companies **64**
 Employees **13,183** Sales **1,567.7 billion**

- Suntory Midorie Ltd.
- Suntory Shopping Club Ltd.
- Suntory Service Ltd.
- Suntory Publicity Service Ltd.
- Suntory Investment and Development Ltd.
- Sun-Ad Co., Ltd.
- Suntory Business Expert Ltd.
- Suncafé Ltd.
- Kanbaku Co., Ltd.
- Suntory Logistics Ltd.
- Suntory System Technology Ltd.
- Suntory Global Innovation Center Ltd.
- Suntory Corporate Business Ltd.
- Sunlive Co., Ltd.

Public Interest Incorporated Foundation and Social Welfare Organizations

- Suntory Foundation for Arts
- Suntory Foundation
- Suntory Foundation for Life Sciences
- Social Welfare Organization Hojukai

Cultural Facilities

- Suntory Museum of Art
- Suntory Hall

- Pepsi Bottling Ventures Group
- Beam Suntory Inc.
- Restaurant Suntory Mexico Group

Americas*3 Group companies **51**
 Employees **5,000** Sales **235.7 billion**

Americas

*3 North America and countries in Central America

Suntory Group's Philosophy on CSR

To realize coexistence with society and nature and become a truly valuable company, the Suntory Group is working toward the realization of our mission of "In Harmony with People and Nature" by developing a variety of CSR activities together with stakeholders.



Based on the corporate philosophy of "In Harmony with People and Nature," the company provides the highest quality products and services and is involved with both activities to protect the environment and a wide variety of activities that contribute to the society. We believe that our mission is to contribute to the realization of a truly rich and abundant society through these activities. Within our philosophy is the enduring spirit of "Coexisting with Society" and "Coexisting with Nature," which has never changed since the company was founded in 1899, as well as taking on perpetual challenges based on the spirit of "Yatte Minahare—Go for it!" We strive to become a "Growing for Good" company supported by our customers through fulfilling social responsibilities and practicing the Suntory Group's Mission, Vision and Values.



Growing for Good

The Suntory Group promotes corporate activities that delivers the highest quality products and services to its customers, contributes to the fruitful development of culture and lifestyles as well as to the achievement of a global sustainable environment. We will continue to strive for worldwide growth by providing better products and services. Our further contributions to achieve rich cultures and lifestyles as well as to the environment will progress on a global scale.

Yatte Minahare—Go for it!

Continuing in the spirit of taking on new challenges exemplified by our founder who trailblazed the way for Western-style liquors such as whisky in Japan, we have broken new ground as a multi-faceted food and beverage company in a variety of new areas of businesses including beer, soft drinks, and health foods. This spirit has been a motivator for our open-minded corporate culture and the challenges we set ourselves to create new value.

Sharing the Profit with Society

Following the philosophy of Suntory's founder, we believe that business profits should not only be used for reinvestment into the business and providing services to clients and business partners, but for making a contribution to society. Carrying on in his spirit, we are aiming for sustainable growth with our stakeholders.

Coexisting with Nature

Many of our products, including whisky, beer, wine and non-alcoholic beverages, are created thanks to such natural bounties as water and agricultural products. With a spirit unchanged since our founding, we fervently promote environmental management, maintaining respect and gratitude for the great workings of nature.

CSR Statement

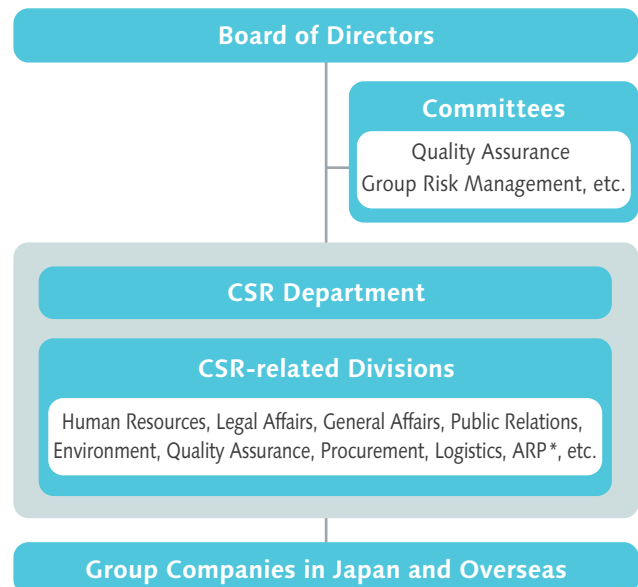
Suntory Group believe that our CSR can best be practiced by putting the Group's Mission, Vision and Values in action, and we are working together with the entire Group toward this. Our CSR statement sets out the following precepts, so that all employees can practice CSR through their ties with stakeholders and the society.

- We coexist with society and nature to realize a sustainable society by practicing the Suntory Group's Mission, Vision and Values.
- We promote CSR activities to address social issues as well as create new value to society.
- We respect human rights and behave in high integrity with business partners through all business activities.

Promoting CSR Management

The Suntory Group promotes CSR activities group-wide in coordination with CSR-related departments under its Board of Directors and each committee.

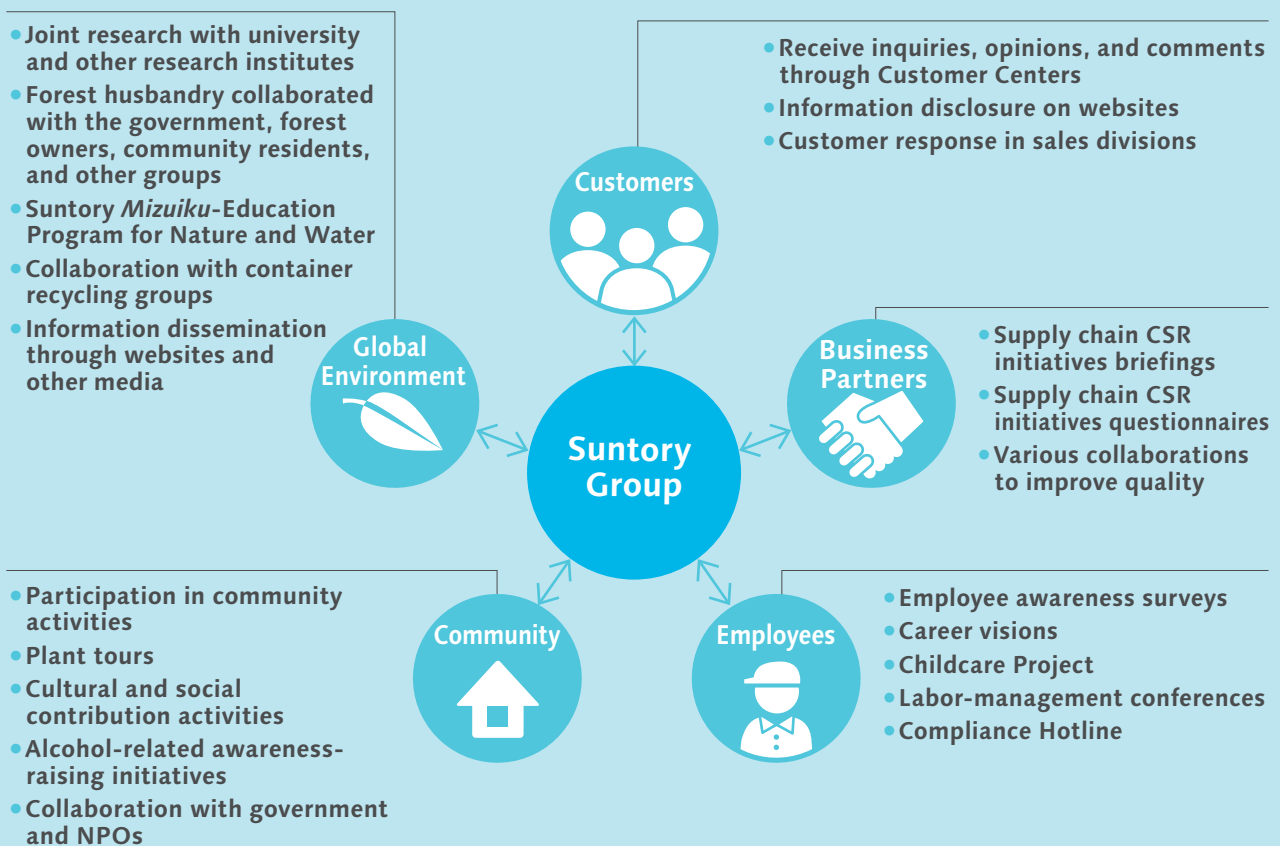
The CSR Department was established in 2005 as a dedicated department to function a group-wide role, including formulating group-wide CSR strategy, addressing cross-divisional CSR issues, publicizing CSR information, and communicating with stakeholders.



* ARP: Alcohol-related problems

As a global, multi-faceted food and beverage company, we respond to the requests and expectations of the international society and display the Suntory spirit as we aim for the creation of a sustainable society.

Opportunities for Communication 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.

As a multi-faceted food and beverage company growing globally, we have formulated the Six CSR Prioritized Initiatives and detailed action plan based on ISO26000, an international standard for social responsibility, and other standards and initiatives in engaging in CSR activities as a Group.

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 our stakeholders.

Six Prioritized CSR Initiatives

Prioritized Initiatives 1...P.21

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



Prioritized Initiatives 2...P.25

We coexist with Nature by committing to “Water Sustainability” and reducing environmental impact.



Feature 1 Coexisting with Nature...P.13

Prioritized Initiatives 3...P.29

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.



Feature 2 Activities to Support Recovery from the Great East Japan Earthquake...P.17

Prioritized Initiatives 4...P.33

We celebrate diversity while promoting the career development of our employees who are all united by the “*Yatte Minabare* —Go for it!” spirit.



Prioritized Initiatives 5...P.37

We promote CSR throughout our entire supply chain, working with our business partners.



Prioritized Initiatives 6...P.39

We commit to responsible marketing and reducing harmful drinking as a leading alcoholic beverage company.



Feature 1 Coexisting with Nature

Promoting Coexistence with Nature as a Company that is Supported by the Blessings of Nature

Suntory Group's business relies on water and the blessings of nature. The earth's natural environment that provides us with water and natural resources is an important foundation of our business. We coexist with nature in all the countries where we do business in order to ensure that future generations have a sustainable global environment. Suntory Group aims to be a global leader in the field of nature conservation and continues to engage in variety of initiatives.

North America

Beam Suntory >> P.15

- Promoting nature conservation activities around the distilleries
- Holding events that allow employee families and people in the community to experience nature around the distilleries
- Supporting nest-building of bald eagles and other birds that live around the distilleries



Pepsi Bottling Ventures LLC

- Engaging in activities to protect the water quality of upstream river near our plants

Europe

Château Lagrange >> P.16

- Using environmentally friendly farming methods to raise high-quality grapes



Suntory Beverage & Food Europe

- Surveying suppliers through questionnaires that include a section on environmental protection and sustainability
- Promoting activities to conserve the natural environment, including wild animals, in areas that grow the black currant, an ingredient in the black currant soft drink Ribena.



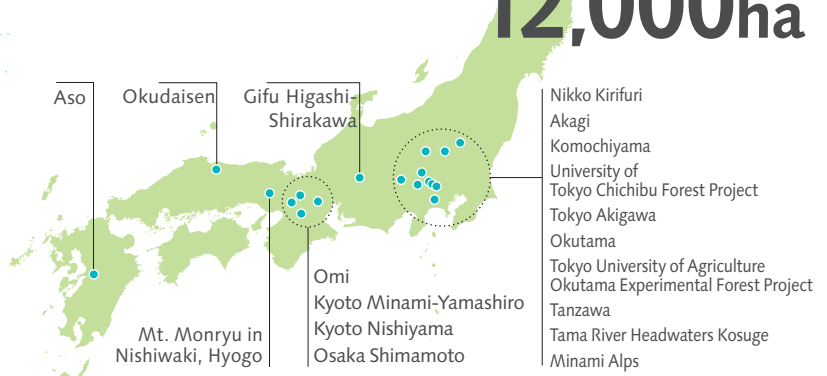
Protecting the Future of Water and Life 13th year of Natural Water Sanctuary Activities

Forests of 8,000ha that nurture groundwater are located in 13 prefectures and 18 locations throughout Japan

In Japan, we have been engaged in Natural Water Sanctuary activities to create forests that nurture groundwater in water resource conservation areas in our plants to nurture more groundwater than used in our plants since 2003. We are conducting surveys and research on a scientific basis with the help of the knowledge and technical skill of experts in a variety of fields as well as local people as we continue our work on forest development activities that consider 50 and 100 years in the future. In 2015, these activities are being conducted at 18 locations in 13 prefectures and reached over a total area of 8,000 ha. This represents an area that far exceeds the area required to nurture the amount of groundwater used in our plants. We are further developing these activities to expand the area where we nurture the groundwater to 12,000ha, twice the amount used in our plants, by 2020.



Minami Alps Natural Water Sanctuary



Aiming for Forests Rich in Biodiversity

When forests are restored in the way they should be, a change will occur in the animals that live in the forests and the forests as a whole will become healthy, balanced ecosystems. Through Natural Water Sanctuary activities, we are working to nurture groundwater and create forests rich in biodiversity.

Japan

Asia

**Suntory PepsiCo
Vietnam Beverage** >> P.16

- Starting Suntory *Mizuiku* - Education Program for Nature and Water in elementary schools in Hanoi, Vietnam





North America

Beam Suntory

Aiming to be a Whisky Distiller that Coexists with Nature

Beam Suntory Distilleries Surrounded by Nature

The four primary Beam Suntory sites in the state of Kentucky, U.S., including the main Jim Beam distillery in Clermont and the Maker's Mark distillery, run their operations so that they can coexist with forests, lakes, rivers and the whole of nature. The cooling process, an essential part of whisky making, utilizes the water in circulation from lakes within the distillery's property. Employees have been working with people in local communities for over 200 years since the founding of the company to protect the surrounding natural environment.



Maker's Mark distillery surrounded by nature

Promoting nature conservation activities with local community

This has resulted in both protection of the neighboring natural environment and building good relations with the local community.

Activities in Vast Nature Conservation Areas Neighboring the Distillery

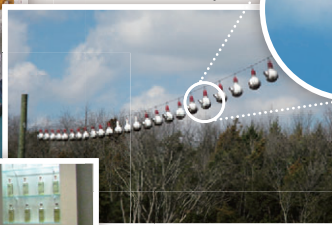
Next to the Clermont distillery is a conservation area that encompasses vast forests and botanical gardens, where employees regularly engage in cleanup activities and carry out initiatives with the local community.



The Color Fest event offering a chance to get in touch with the nature around the distillery



Nest box at the Maker's Mark distillery



Environmental Team Playing Active Role in Distillery that Coexists with Nature

The Environmental Team, made up of employees of the Maker's Mark distillery, sets up nest boxes on company property, plants native plants, and works with the Kentucky Department of Fish & Wildlife to promote activities designed to maintain biodiversity.

Cooperating with the Kentucky Department of Environmental Protection on Environmental Conservation Programs



The Beam Suntory whisky distillery in Kentucky works with Kentucky Excel, which was set up by businesses operating in the state of Kentucky and the Kentucky Department for Environmental Protection, to implement environmental conservation programs.

VOICE

We promote activities to achieve coexistence of distilleries and nature

Conservation of the natural environment is an extremely important priority initiative. Suntory's corporate philosophy means coexistence with nature at the Maker's Mark distillery. The water created by nature is at the heart of our craftsmanship. As a member of the Environmental Team, I want to cooperate with the local community as we develop a variety of activities designed to protect the natural environment around the Maker's Mark distillery.



Victoria MacRae-Samuels
Vice President, Operations
Maker's Mark Distillery



Beam Suntory Environmental Management Committee

Environmental Committee made up of Japanese and U.S. members

The Beam Suntory Environmental Management Committee meets regularly to discuss environmental issues related to business activities and check on the progress of initiatives. As of 2014, members of Suntory Holdings, Ltd. also participate to promote environmental management coordination between Japan and the U.S.



Europe

Chateau Lagrange

Producing High-quality Wine Using Environmentally-friendly methods

Achieving an Environmental Cultivation that is Close to Nature with Minimum Use of Agricultural Chemicals

Chateau Lagrange, a winery in Bordeaux, France, is practicing viticulture methods known as "lutte raisonnée" in French. Using these methods allows us to carry out sustainable vine growing and wine making, which is respectful to the environment whilst also maximizing our rationalization of production. As part of this activity, Chateau Lagrange has been certified by "Terra Vitis" which requires us to strictly follow a natural cultivation approach such as limited use of agricultural chemicals and fertilizers, in addition to increasing beneficial insects for pest control.

For example, Chateau Lagrange has also adopted the cover cropping technique, increasing the amount of grass in the grape plant furrows. The grass regulates the amount of moisture in the soil by absorbing excess water, which enhances the concentration of the grapes while also improving biodiversity. It helps to maintain the equilibrium of the ecosystem in the vineyard. As a result, it has led to an increase in the number of ladybugs, a beneficial insect, as well as having reduced the crop damage due to diseases.



Cover cropping



Vineyards that coexist with the beneficial ladybug

Asia

Suntory PepsiCo Vietnam Beverage

Thinking About the Importance of Water with Children in Vietnam

First Suntory *Mizuiku* - Education Program for Nature and Water* in Overseas

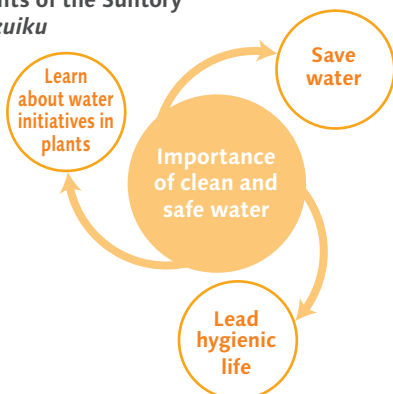
Holding Classes at Elementary Schools, Plant Visits and Other Unique Programs

In March 2015, Suntory Holdings, Ltd. tailored the Suntory *Mizuiku* - Education Program for Nature and Water, which has already been in use in Japan for overseas elementary schools. It has been first launched in Vietnam with the cooperation of Suntory PepsiCo Vietnam Beverages and the international NGO Live & Learn. We are developing programs unique to Suntory such as classes that teach the importance of water, hygiene management and protecting water sources as well as organizing visits to beverage plants for a total of approximately 1,600 third and fifth grade elementary school students in Hanoi.



* Suntory's unique environmental education program designed to teach the importance of water to children has been running in Japan since 2004

Points of the Suntory *Mizuiku*



VOICE



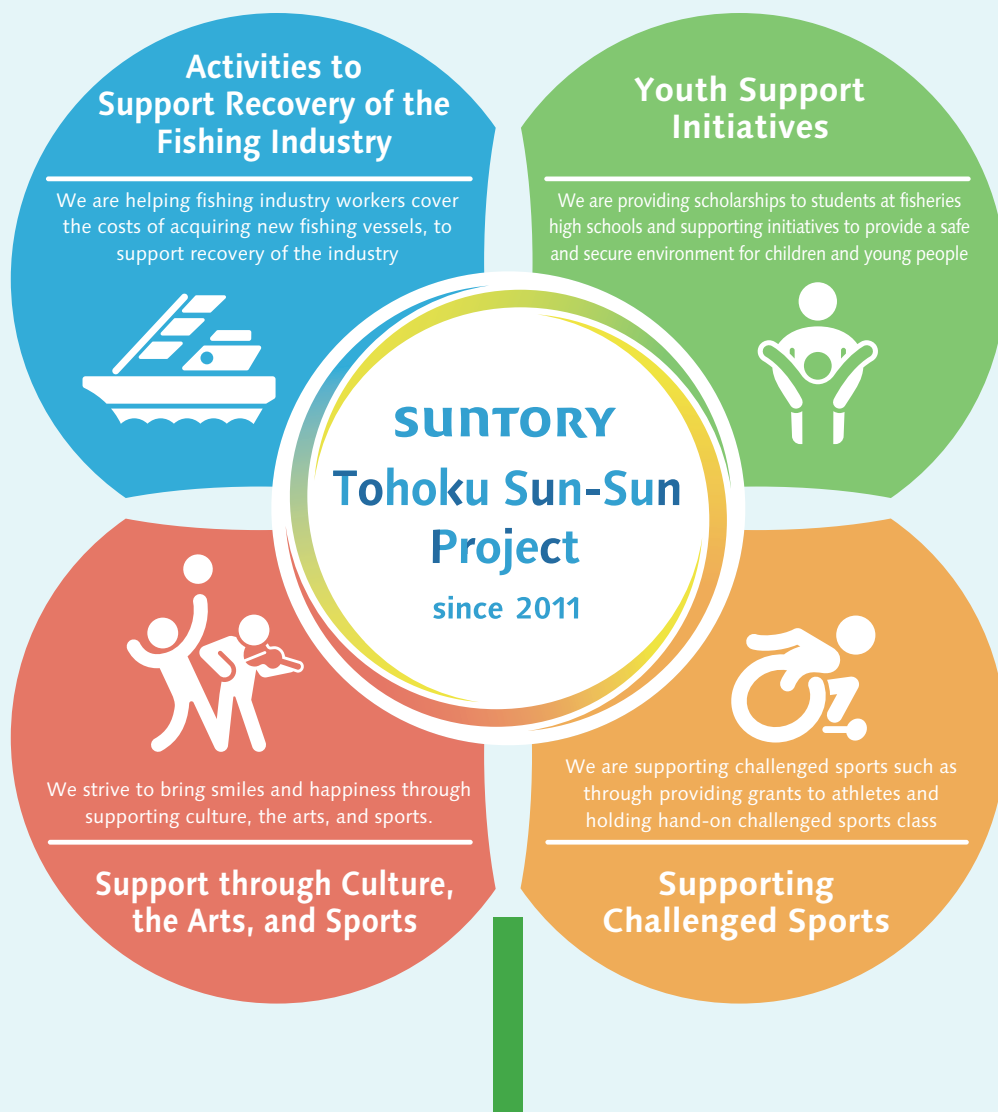
For the Children that will Lead the Environmental Activities in the Next Generation.

When implementing the Suntory *Mizuiku* - Education Program for Nature and Water in Vietnam, we utilize the know-how we have gained in Japan to create unique educational materials that have the maximum ability to communicate the project's message to Vietnamese children, who live in an environment that is different from Japan. In the future, we will take this program to other regions of Vietnam, and by continuing these efforts, we hope to build a program that educates new people who will take on the responsibility of future environmental conservation in our country.

Cao Hoang Nam
Corporate Affairs Manager
Suntory PepsiCo Vietnam Beverage

Feature 2 Activities to Support Recovery from the Great East Japan Earthquake

Continuing Activities that Support the Disaster Affected Areas to Bring Smiles and Hope



Suntory Group has established The Suntory Tohoku Sun-Sun Project to engage in activities designed to assist the recovery of areas affected by the Great East Japan Earthquake. With a total budget of ¥10.8 billion, these activities are mainly focused on the fields of fishing industry, youth, challenged sports and culture and sports. We remain committed to carrying out activities that bring us closer to the disaster affected areas in four main fields based on our commitment to bringing smiles and hope to these areas like the sun.

In Feature 2, we describe our most recent activities including support for challenged sports which was begun in 2014, and construction of after-school care for children.

For Athletes Who are Faced with Disabilities Supporting Challenged Sports

We are engaged in support activities that develop and popularize Challenged Sports and train athletes in cooperation with local governments and related organizations. These activities will span a seven year period from 2014 and have a budget of ¥1 billion.

● Challenged Sports Academy

We hold about 15 events a year to provide an opportunity to experience challenged sports through challenged athlete making visits to schools in disaster affected areas and hold Athlete Visits and hands-on classes for elementary and middle school students and their parents.



VOICE

Message from Participant Child

I got to experience wheelchair basketball. It was truly surprising to see how quickly the players were able to move and how the wheelchairs seemed to be part of their bodies. I got a strong impression that in spite of having disabilities, you could do anything you want. I would also like to do my best in everything I do and take on a variety of new challenges.

Fourth grade boys from Ashizawa Elementary School in Tamura, Fukushima Prefecture



● 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. In the first term, we provided grants to 48 athletes and 15 organizations.



Track and Field Women's 100m
Hikari Niwase (Individual)



Wheelchair Basketball
Miyagi MAX (Organization)

● Challenged Sports Training Support

We support strengthening the base and improving the environment of Challenged Sports in order to develop and popularize them. In fiscal 2014, we donated sports wheelchairs and other equipment to Iwate and Fukushima prefectures as well as basketball backboards and hoops to the Miyagi Prefectural Sports Center for the Disabled.



Miyagi Prefecture



Iwate Prefecture



Fukushima Prefecture

Stakeholders Dialogue

We believe that athletes involved in challenged sports energize people in disaster affected areas.

I believe that Suntory Group's support for challenged sports contributes to the recovery of disaster affected areas. The sight of challenged athletes overcoming their disabilities and aiming ever higher carries a powerful message and provides an enormous amount of energy to the people working toward overcoming the disaster and recovery from it.

In order to realize our vision of an energetic society of coexistence, a change in the way society as a whole thinks about people with disability needs to occur, and we believe that challenged sports provides an opportunity for this kind of change. In preparation for the 2020 Paralympics, Suntory Group is providing continuous support for the development and popularization of challenged sports. We look forward to your cooperation in our efforts to spread the word and increase its fans.



Yasushi Yamawaki

Director, Japanese Para-Sports Association
President, Japanese Paralympic Committee
Governing Board Member, International Paralympic Committee

Feature 2 Activities to Support Recovery from the Great East Japan Earthquake

The Future of Disaster Affected Areas

Supporting the Healthy Growth of Children

We provide support to building of children's after-school clubs and other safe places for children to play and learn, NPOs that support children and free scholarships.

● Supporting Children's After-school Clubs and Children's Centers

We support the creation of places children can safely learn and play after school or holidays. Due to the increasing number of children in evacuation, we have been working with local governments and NPOs to support the construction of child care facilities, training of instructors and child care outside of day care centers in Fukushima Prefecture where there is a shortage of child care centers. In addition, in Ishinomaki City, Miyagi Prefecture, we are supporting the construction of the Children's Center, based on a plan made by children themselves, and visiting there to teach about culture and sports.

● Supporting the Construction of Facilities

Three children's after-school club buildings were constructed: two in Iwaki and one in Minamisoma City. There are plans to construct two additional facilities in Soma City and another location in the latter half of 2015.



● Supporting the Cost of Commuting During Excursions

We subsidize the cost of commuting during excursions in Iwaki City, Fukushima Prefecture. In fiscal 2014, assistance was provided to 2,839 children at 70 clubs.



● Holding Workshops and School Visits

Group companies hold workshops and school visits on topics related to their business at the Ishinomaki Children's Center, opened in January 2014 with support from Suntory.



Ishinomaki City Children's Center



Red Flowers Project workshop by Suntory Flowers

VOICE

Message from the Mayor of Iwaki City

I would like to express my deep appreciation for the donating the children's after-school club. The children are extremely happy and have smiles on their faces every day. We are committed to working tirelessly to provide these children, who will someday take on the responsibilities of the future, with a healthy, nurturing environment and we look forward to your continued support of our efforts.

Toshio Shimizu
Mayor of Iwaki City



● Providing Scholarships to Students at Fisheries High Schools

For five years beginning in fiscal 2012, we will continue to provide free scholarships to disaster affected students at seven fisheries high schools. We provided ¥300,000 per year to total of 2,000 students as of fiscal 2014.



● Providing Assistance to NPOs that Support the Children of Fukushima

We have provided approximately ¥250 million over three years to 57 organizations that provide intensive support to children in Fukushima Prefecture who have been living in evacuation centers for long periods of time. We are supporting the activities of 17 organizations in fiscal 2015.



For the True Recovery

Promoting Activities that Encourage Recovery of the Heart

We are implementing a variety of support programs in cooperation with notable artists and athletes based on our desire to bring smiles and happiness to people affected by the disaster.

● TOMODACHI Suntory Music Scholarship

We also provide support to students who study at university for music in the U.S. in cooperation with the U.S. embassy and the US-Japan Council. (pledge of \$1 million)

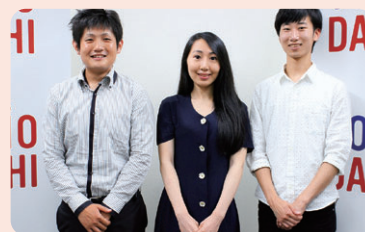
In fiscal 2014, we provided funds to students with priority placed on students from disaster affected areas, and two of the three students selected were from the Tohoku region.

VOICE

Message from the FY2014 Recipient

Since the disaster struck, I wanted to contribute to the recovery of Tohoku region, where I grew up, through power of music. Thus, I was both happy and honored by the fact that I have received this scholarship to study at the Berkley College of Music. I will study as hard as possible in the U.S., the birthplace of jazz music, so that I can someday become a musician that can inspire people with music.

Shun Kumagai, Berkley College of Music (From Miyagi Prefecture, left)



● Baseball Clinic Featuring Koji Uehara

In December 2014 we invited Koji Uehara of the Boston Red Sox and Yoshinobu Takahashi of the Yomiuri Giants to participate in our baseball workshops for local youths mainly in Ishimaki, Miyagi Prefecture.



● Michinoku Wind Orchestra

We provide opportunities for leading musicians to instruct high school brass band members in disaster affected areas and opportunities for them to perform at Suntory Hall. High school students from Miyagi Prefecture took the stage in 2012, followed by high school students from Fukushima Prefecture in August 2014 and high school students from Iwate Prefecture in April 2015.



● Vienna Philharmonic & Suntory Music Aid Fund

We established a music aid fund together with the Vienna Philharmonic Orchestra to provide funding to musical activities, hold concerts in disaster affected areas and hold workshops with the Sendai Junior Orchestra.



● Suntory Presents Beethoven's 9th with a Cast of 10,000

Suntory Presents Beethoven's 9th with a Cast of 10,000 has presented the famous 9th Symphony through live link between Osaka-Jo Hall and special venue in the Tohoku region. In 2014, 150 people recruited from choruses in the Tohoku region were invited to Osaka-Jo Hall.



TOPICS

Totobutsuya, selling tuna caught by Dai-5 Yahatamaru opens

In October 2014, a retail store selling tuna caught by the Dai-5 Yahatamaru, which was constructed in Kesenuma, Miyagi Prefecture with the support of Suntory, opened in Kichijoji, Tokyo. We supported the stores startup from product planning to store development.



Prioritized Initiatives

1

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

The products and services that the Suntory Group provides are used every day by our customers.

Amid accelerating globalization and expansion of our business domains, our responsibility to provide the highest quality products and services that contribute safely and reliably to health 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 raw materials, and on to manufacturing, distribution,

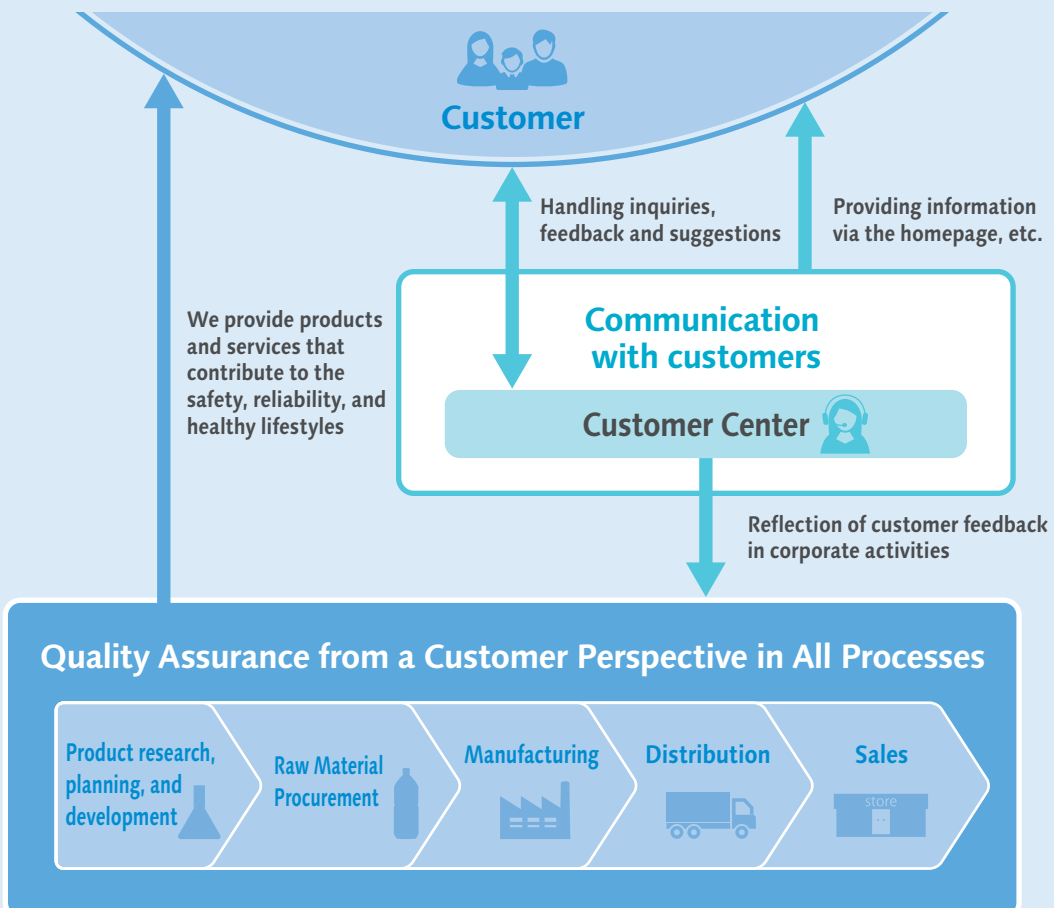
and sales and servicing.

In addition, paying heed to quality assurance from the customer's perspective, we are actively engaging in VOC activities*1 with "Improving food and beverage quality*2 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.

*1 VOC (Voice of Customer) activities: activities that incorporate customer feedback into management policies

*2 The level of quality – the flavor, aroma, easy to use containers, and other goals set at the product development stage – that customers experience when enjoying the product



Group-wide Commitment to Quality Assurance

Promoting Quality Assurance to Deliver Highest Quality Products and Services

Based on our attitude of "customers first and foremost," we believe it is our mission to provide safe, reliable products and services and contribute to the happiness and satisfaction of customer. Based on our quality policy of "All for the Quality," every employee of the Suntory Group feels that it is important to see things from the customers' viewpoint as we carry out our daily tasks.

In addition, as business continues to undergo globalization, we are planning to making improvements in accordance with each Group company's particular situation in order to further develop and advance our quality management system enhance Group governance. We will continue in our tireless effort to provide the highest quality products and services to consumers around the world.



Takayuki Hirashima

Executive Officer and Chief Quality Officer
Quality Strategy Planning Division, Suntory Holdings Ltd.

Establishment of Groupwide Quality Assurance Promotion System

We established a Quality Assurance Committee to promote quality assurance throughout the Group. The Committee works to identify and reduce major quality risks, and to move forward on key strategic challenges related to quality. The main role of the committee is to maintain responsibility for the Suntory Holdings Ltd. Quality Strategy Planning Division and Suntory Business Expert Ltd. Quality Assurance Headquarters, issue timely reports to the Board of Directors on details of discussions, and share this information as examples of management problems faced by the Group.

In addition, it has established a Quality Assurance Committee at Suntory Beverage & Food Ltd. to promote quality assurance through cooperation.

Group Quality Assurance Promotion System



Quality audit by the Chief Quality Officer, Quality Strategy Planning Division

The Chief Quality Officer of the Quality Strategy Planning Division conducts audits in order to clarify both the issues and strengths of Group companies' quality management to improve the entire Group's ability to ensure quality. In 2014, we ascertained the quality management systems at one company in Japan and two overseas to identify issues that may occur in the future. We will continue to advance this system by reviewing the audit standards and contents of audits.



Suntory Wellness Ltd. Quality Audits

Strengthening of Quality Assurance Activities in Restaurant Group Companies

The Restaurant Quality Assurance Committee was established under the Quality Assurance Committee to promote activities that would help prevent major problems from occurring at the six restaurant Group companies and to determine the causes and prevent recurrences of quality-related problems when they do arise.

TOPICS

The Safety Science Institute Acquires ISO/IEC17025.

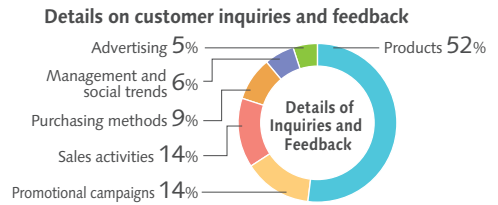
The Safety Science Institute, which is within the Quality Assurance Headquarters, has received the international ISO/IEC17025 certification verifying that it is competent in carrying out appropriate testing on analyzing the composition (elements) in water.

We will strive to deliver evermore safe and reliable product through trustworthy analyses.



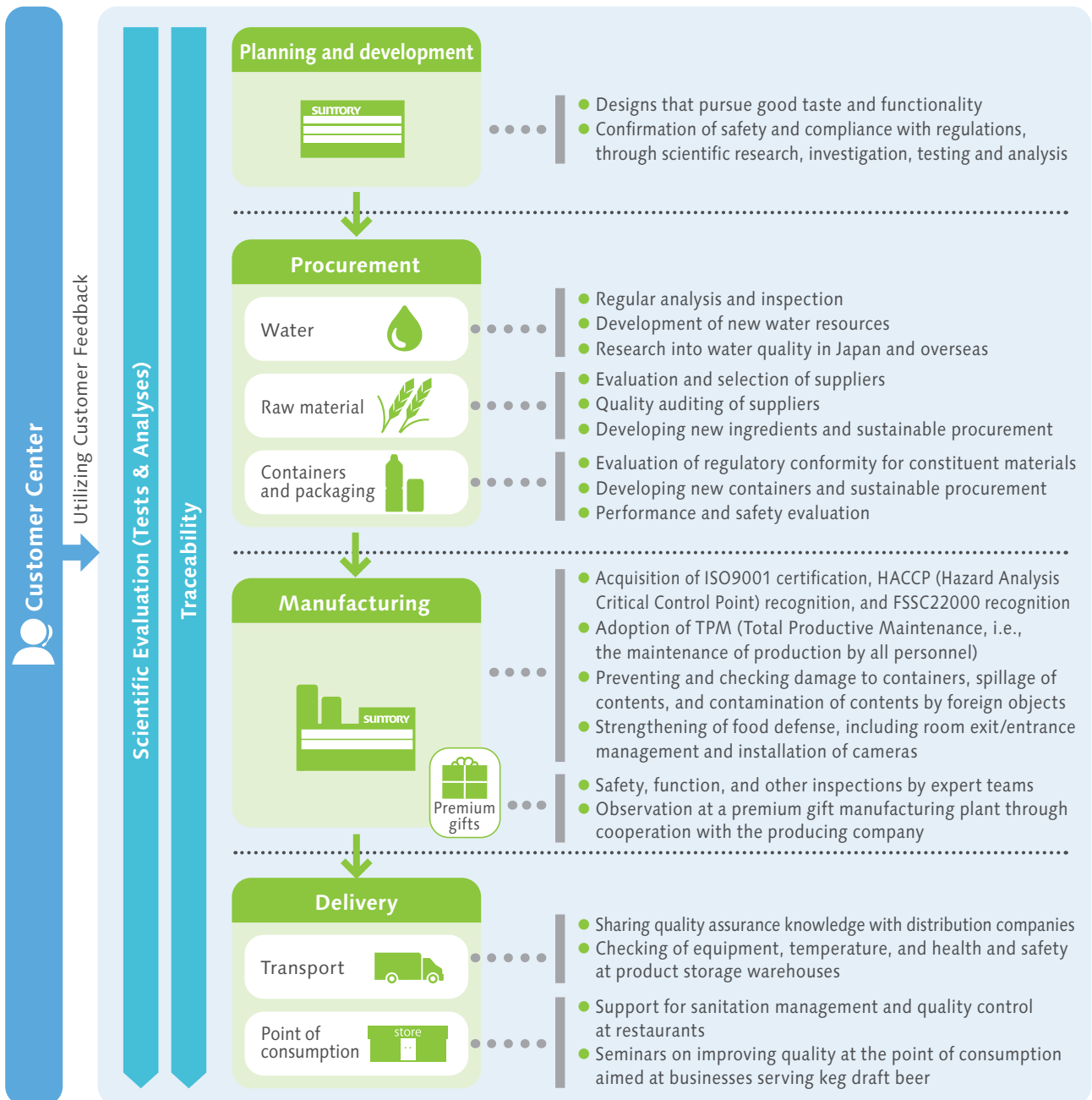
For Customer Satisfaction

All employees of the Suntory Group always keeps customers in mind in accordance with the belief the Group has maintained since its founding: Customer satisfaction is the first priority. The source of this belief is "customer feedback." The Group puts a great deal of effort into its VOC activities in order to continually improve quality, improve dealings with customers, and develop products from the consumer's viewpoint.



Quality Assurance from a Customer Perspective in All Processes

Grounded in the Suntory Group's Quality Policy, we are continually working to maintain and improve quality in all of our processes, from product planning and development to material procurement, manufacture, distribution, sales, and services. In addition to identifying in all processes elements that maintain and improve quality, we also conduct risk assessments and safety inspections and analyses of products and ingredients from a scientific perspective. We also are implementing quality assurance activities that include our suppliers through the use of a raw material traceability system and by practicing sustainable procurement in order to realize a sustainable society.



Promote Communication with Customers

The Suntory Group values two-way communication with consumers, and the Customer Center at Suntory Business Expert Ltd.'s Customer Relations Headquarters functions as a liaison for customers that handles customer feedback seriously and works to strengthen initiatives that utilize this feedback over a wide range of company activities. The Suntory Group continues its Customer Satisfaction Project in our attempt to nurture a corporate culture in which all of our employees keep the customers' perspective 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



Discover the Customer's Perspective Courses



Experience the Customer's Perspective Program

our customers. Our Discover the Customer's Perspective Courses and Experience the Customer's Perspective Program form the core of the project. In 2014, about 4,000 employees participated in the programs.

Learning the Importance of Quick Response through Experience the Customer Perspective Program

As the person in charge of developing an information system for the Customer Center, participating in the Experience the Customer Perspective Program was a great chance to understand how the system that amasses and shares information received from customers in actual use. Through my experience of responding to calls, I was able to get a sense of how important it is to answer questions in as little as one second. I would like to apply my experiences to the development of a better system.



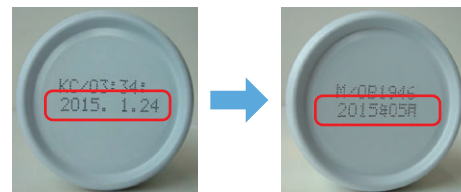
Narumi Matsuno
Group Information Systems Department
Suntory Business Expert Ltd.

Making Use of Customer Opinions

Customer feedback is important to our efforts to provide kinder and easy to understand products and services to everyone. The Suntory Group listens carefully to customer feedback and makes use of their opinions and desires to improve quality, product development and providing more information for our products and services.

Based on customer opinions, related divisions of Group companies and the Quality Assurance Headquarters work together to promote accurate and easy to understand product labeling. Formerly, "Best by" dates on soft drinks were generally shown as "day,

month, year," but to make it more easily understandable by customers and to reduce environmental impact from inventory management, we are shifting to "month, year" labeling.



Contributing to Healthy Lifestyle through Products and Services

We have been advancing our basic research and technology development including that make a positive contribution to people's health, such as research of polyphenols that is found in plant ingredient of alcohol and non-alcoholic beverages.

The accumulated results are used in product development such as the food for specified health uses (FOSHU) that pursue both "health" and "good taste" and health foods that utilize the sesame contained in sesame seeds to deliver a variety of products that contribute to our customer leading rich and healthy lives.



Suntory FOSHU beverages recommended by the Japan Association of Ningen Dock Kenshin



Some of Suntory's health foods backed by science

Prioritized Initiatives

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.

It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with the Group philosophy — In 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 in harmony with water circulation, 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.

Suntory Environmental Vision toward 2050

A global leader in protecting the natural environment

Taking the initiative in preserving and regenerating the natural environment in major business countries

In an aim to pass down a sustainable global environment to the next generation based on the pillars of preserving and regenerating the natural environment and reduction of the environmental impact, and as the responsibility of a corporation that is sustained by the great bounty of nature, the Suntory Group will take on two challenges toward 2050.

Reducing global environmental impact by half

Halving the environmental impact generated by business activities (water consumption at company plants, CO2 emission throughout the entire value chain) by 2050*2.

Targets toward 2020

Preserving and Regenerating the Natural Environment

- Global expansion of conservation activities to protect wild birds that are the symbol of biodiversity
- Expand the area of Natural Water Sanctuaries to 12,000ha

Reducing Environmental Impact

- Reduce water consumption at the Suntory Group*1 plants by 35%*2
- Reduce CO2 emission in the entire Suntory Group*1 value chain by 24%*2

Corporate Philosophy
In Harmony with
People and Nature

*1: The group of companies that covers more than 80% of the Suntory Group's sales for 2012 (including overseas companies)

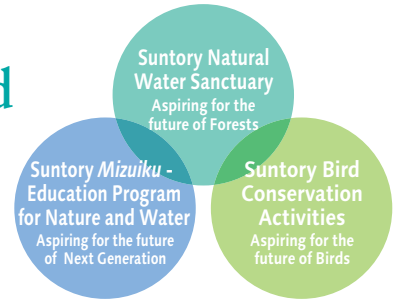
*2: Reduction per unit production based on the business areas in 2007

Preserving and Regenerating the Natural Environment

Coexisting with Nature through Natural Water Sanctuary Activities Designed to Protect the Future of Water and Life

The Suntory Group has been conducting Natural Water Sanctuary activities* since 2003 in order to conserve groundwater and biodiversity. Through our Suntory *Mizuiku* - Education Program for Nature and Water as well as Suntory Bird Conservation Activities, we are sharing our ideas of coexistence with nature embodied in Natural Water Sanctuary activities throughout society.

* For further information about the Natural Water Sanctuary, see Feature 1 "Coexisting with Nature" on page 13 to 14.



Employee's First Hand Experience with Forestry

We encourage employees to participate in First Hand Experience with Forestry in the Natural Water Sanctuary so that each employee can experience and understand the value of coexistence with nature. The activity was launched in 2014 as first hand experience training and approximately 2,000 employees have participated so far. Our goal is for approximately 6,000 employees to have participated by 2016.



Experience program of forest maintenance with the cooperation of local governments and forestry cooperatives



Pruning to make the understory vegetation more abundant by cutting the lower branches of cedar and cypress to allow sunlight to penetrate

TOPICS

Water Science Forum 2014: Turning the Natural Water Sanctuary into Wisdom for Society

Since 2011, we have held the Water Science Forum annually in order to share the skills and knowledge gained from activities in the Natural Water Sanctuary and communicate them to society at large. The latest forum was held in November 2014. A variety of experts we work with regularly were invited to deliver presentations and participate in discussions.



Suntory Mizuiku - Education Program for Nature and Water around the world



Suntory *Mizuiku* - Education Program for Nature and Water, which was begun in 2004, is a program designed to make children who will be responsible for the next generation to realize the importance of water and the forests that nurture the groundwater, and to think about what they can do to protect there is water for the future.

We hold the Outdoor School of Forest and Water, a hands-on experience program held in the home of Suntory Tennensui (mineral water) for third to sixth grade elementary school students, as well as Teaching about Water at Schools in which we work together with teachers of fourth and fifth graders. A total of over 92,000 people have participated as of 2014. In addition, we have begun activities in Vietnam in 2015.



Outdoor School of Forest and Water



Teaching about Water at Schools

Establishment of "Riparian Large Bird Conservation Division" in Suntory Fund for Bird Conservation



We have been involved in bird conservation activities since 1973 based on our notion that wild birds are said to be an indicator of natural environment. In 2014, the Public Trust Suntory Fund for Bird Conservation (founded in 1990) newly established the "Riparian Large Bird Conservation" division for the conservation of storks, cranes, crested ibises, and other large birds. We are supporting the conservation of the abundant riparian environments in Japan, including the wetlands and rice paddies that have close connection to people's lives.



The 26th Fund Granting Ceremony of Public Trust Suntory Fund for Bird Conservation

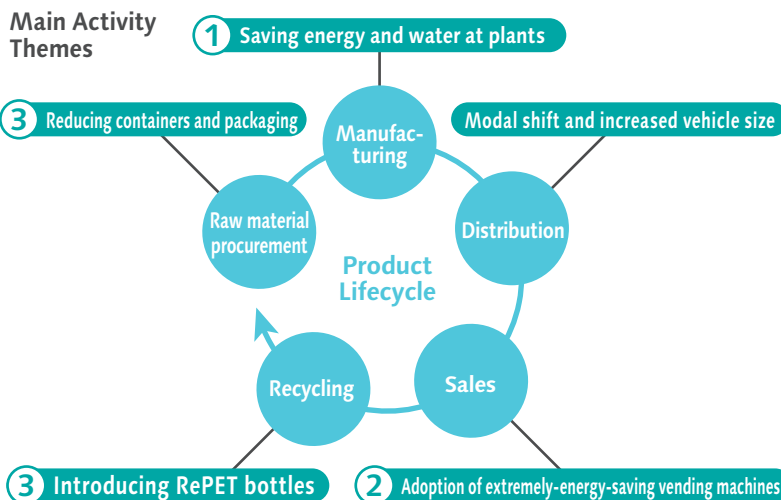
Reducing Environmental Impact

Reducing CO₂ Emissions throughout the Value Chain and Reducing Water Usage at Our Plants

We have set challenges for each division to reduce CO₂ emissions throughout the value chain related to our domestic operations, from raw material procurement, manufacture, distribution, sales to recycling. In addition, in order to minimize the use of limited water resources, Suntory Group plants follow the "3Rs of Water": Reduce the amount of water as much as possible, Reuse water, and Recycle water after treatment.

In order to achieve the Targets toward 2020, we are strengthening our activities and have already reduced the per unit production each of CO₂ emissions* and water usage by 22% from 2007 level in 2014.

* Including offsets from purchased carbon credits



1 Saving Energy and Water at Plants

Saving Energy and Water in the Production Process from a Variety of Perspectives

Suntory Group plants are conserving energy and water in order to reduce the environmental impact from production activities. In addition to conserving energy and water in our production processes, we are also utilizing solar, snow and ice, biomass energy, micro hydraulic power and other types of renewable energy and highly-advanced circulation reuse in the form of multi-stage water cascades. Activities being carried out at plants are shared at regularly-held engineer meetings, the eco strategy council hosted by Suntory Holdings and at other meetings to be horizontally deployed.

CO₂ Emission Performance (2014)

	Output (1,000 tons)	Per unit production reduction rate*
Japan	345	3.0% reduction
Asia and Oceania	113	7.4% reduction
Europe	48	8.8% reduction
Americas	23	6.7% reduction

Water Usage Performance (2014)

	Amount (1,000m ³)	Per unit production reduction rate*
Japan	21,839	2.4% reduction
Asia and Oceania	4,732	2.2% reduction
Europe	4,135	1.5% reduction
Americas	1,242	3.4% reduction

* Data covers 24 production plants in Japan and 30 production plants in overseas owned by companies that consists more than half of the Suntory Group's sales
 * Per unit production is the amount of emission and usage per kiloliter produced; the rate of reduction is shown as a comparison to the previous year

2 Adoption of Extremely-Energy-Saving Vending Machines

Introducing Vending Machines with the Lowest Power Consumption in Japan

We recognize that making vending machines more energy efficient is an important issue, and so we have been working to adopt the use of vending machines that consume less energy during operation through the use of peak-cut of electricity, heat-pump function, and LED lighting. In April 2014, we adopted the "Extremely-Energy-Saving Vending Machines" (Eco Active Machines) that operate on approximately half the energy consumption (420 kWh/year) of conventional heat-pump models with the cooperation of machinery manufacturers. By improving energy conservation substantially using a combination of the latest technologies available, we have achieved the lowest power consumption* in Japan.

* As of April 2014, among the 25 selection vending machines which are the main selection type in major Japanese vending machine makers (according to a survey by Suntory Foods Ltd.)

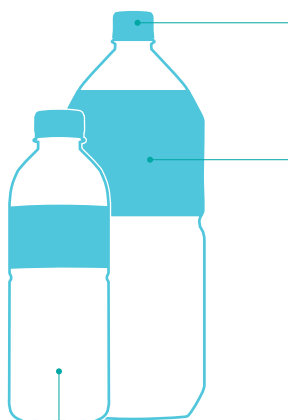


©Sanden Holdings Corporation

3 Reducing Containers and Packaging/Developing RePET Bottles

Pursuing Lighter, Thinner and Recyclable Containers and Packaging

We are working to develop environmentally-friendly containers and packaging based on our concept of maintaining usability while practicing the 3Rs (Reduce, Reuse, Recycle) from the point of consumption until it is recycled.



Adoption of the Lightest Weight PET Bottle Caps in Japan

- Adoption of 2.04g*¹ caps, the lightest weight caps in Japan, for normal temperature aseptic packaged products*².

*1: 28φ (phi) cap (weight is according to design value as of January 2015)

*2: Excluding mineral water and products sold warmed



Development of the Thinnest PET Bottle Product Labels in Japan

- We have adopted the use of 12μm*¹ thick labels, the thinnest roll labels*² for domestically produced PET bottles, for (Mineral Water) Suntory Tennensui and other products. This has allowed us to achieve a 25% reduction in CO₂ emissions*³ compared to conventional products.

*1: 1/1,000mm *2: These labels are not removed through the use of perforations; instead, the glued portion is peeled off.

*3: Reduction rate in the film (label) manufacturing process

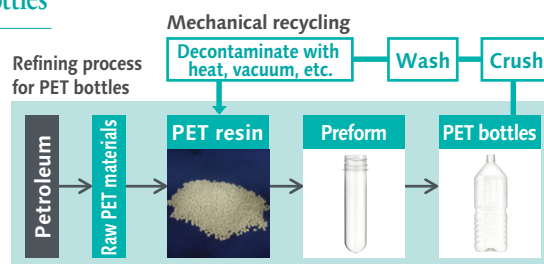


Lightest PET Bottle in Japan and Development of RePET Bottles

- Launch of 11.3g bottles, the lightest bottles in Japan*¹, with 30% plant-derived materials for use as our (Mineral Water) Suntory Tennensui 550mℓ bottles.
- We established the first B-to-B*² mechanical recycling system in the Japanese soft drink industry and use RePET bottles with 100% reused PET resin in many of our products. As a result, we were able to reduce CO₂ emissions by 83% compared to bottles made of 100% petroleum materials.

*1: As of March 2015

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



Suntory Garuda's light-weight bottle initiatives in Indonesia

Development of extremely lightweight* heat-resistant PET bottles through collaboration of Japanese technological skill and local staff

I was in charge of the lightweight heat-resistant PET bottle development project at Suntory Garuda Beverage when we achieved developing a 21 g heat-resistant PET bottle that was 25% lighter than conventional 28 g bottles. The manufacturing technology and design capabilities used in Japan to make lightweight PET bottles had been previously used in Group companies in Europe and other places, but making heat-resistant bottles lighter, which is rarely attempted in Japan was a technological challenge. We worked hard and conducted countless tests, but it was the cooperation of Suntory Business Expert Ltd., Suntory Garuda Beverage, and Indonesian suppliers, and having the same goal led to the success of the project. Using the technology we cultivated through this project, we developed extremely lightweight PET bottles in Vietnam as well. We are starting a new project to create even lighter weight bottles.

* In the heat-resistant PET bottle of 500mℓ class (as of January 2014, when they were adopted)

Riki Takano, Packaging Material Development Department, Suntory Business Expert Ltd.



TOPICS

Selected for Both "CDLI" and "CPLI" in the CDP2014 Japan 500

In the environmental activity survey "CDP2014 Japan 500" conducted by CDP*¹, Suntory Beverage & Food Ltd. received high praise for its activities against climate change and the information disclosure related to those activities, and was selected for both "CDLI*²" and "CPLI*³".

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

*2: Climate Disclosure Leadership Index

*3: Climate Performance Leadership Index



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.

The Suntory Group Following the philosophy of Suntory's founder Shinjiro Torii's , we believe that business profits should be use proactively to contribute to the society. His strong beliefs have been passed down to us over generations as the spirit of sharing the profit with society. Since its founding, the company has been involved in a variety of cultural and social contribution activities such as developing the next generation, supporting disaster affected areas, and contributing to local communities in fields such as arts and culture, sports, and social

welfare in order to help create a society in which people are able to enjoy vibrant lives.

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.

We have created Policy on Social Activities and have deepened its cooperation with Group companies around the world in order to better fulfill its global social responsibilities.

Suntory Group's Cultural and Social Contribution Activities



Based on the Suntory founder Shinjiro Torii's spirit of Sharing the Profit with Society, we are engaged in a variety of activities designed to create a society abundant with culture and a sustainable society

Arts and Culture

- Support through public interest incorporated foundations
 - Suntory Foundation for Arts
 - Suntory Foundation
 - Suntory Foundation for Life Sciences
- Cultural Facilities
 - Suntory Museum of Art
 - Suntory Hall
- Sponsorship of cultural events
 - Suntory Presents Beethoven's 9th with a Cast of 10,000

Sports

- Sports Teams
 - Suntory Sungoliath rugby team
 - Suntory Sunbirds volleyball team
- Supporting Challenged Sports
- Holding sporting events
 - Suntory Ladies Open Golf Tournament
 - Suntory Dream Match

Social Welfare

- Social Welfare Organization Hojuikai
 - Elderly care facilities
 - Takadonoen
 - Domyoji Takadonoen
 - West Asahi-ku Community General Support Center
 - Tsubomi Nursery School
- Charitable activities
- Support for employee volunteer activities

Developing the Next Generation

- Developing the next generation through the arts and culture
- Holding sports clinics
- Supporting Hibarigaoka Gakuen
- Providing opportunities to experience an uninhabited island

Supporting Disaster Affected Areas

- Activities to support recovery from the Great East Japan Earthquake
 - Support for the restoration of the fishing industry
 - Supporting the youth
 - Support for challenged sports
 - Support through culture, the arts and sports

Contributions to Local Communities

- Promotion of plant greening
- Holding plant tours
- Contributions to local communities at sites around Japan
- Contributions to local communities by Group companies

Contributing to the Enrichment of Lives and Culture

Suntory Group is involved in a variety of cultural contribution activities that contribute to the development of a rich culture and lifestyle through promoting arts, culture, and academics through such as operating the Suntory Museum of Art and Suntory Hall.

| Suntory Foundation for Arts

Suntory Museum of Art

Opened in 1961 in accordance with the basic principle of "Art in Life". In 2007 it was moved to Tokyo Midtown, and in order to fulfill the idea of "Art Revisited, Beauty Revealed," a total of approximately 3,000 items including one National Treasure and 13 Important Cultural Properties is in the collection and being exhibited. It also holds various activities designed to ensure that future generations of Japanese people inherits a "sense for art."



Suntory Hall

Opened in 1986 as the first hall in Tokyo exclusively for concerts, it boasts exceptional sound quality. Each year, more than approximately 550 performances are seen by 600,000 concert-goers. In addition to performances that feature the top artists both in Japan and from overseas, many original events are held to help music become an integral part of people's lives.



TOPICS

Over 100,000 Visitors for the Koyasan Treasures of the Sacred Mountain Exhibit



The "Koyasan 1200th Anniversary: Treasures of the Sacred Mountain" exhibition held in the autumn of 2014 was highly praised for its use of Suntory Museum of Art's unique exhibition style that included the "Hachidaidoji" statue, a National Treasure. The exhibition was attended by approximately 100,000 visitors. These visitors included many who visited the museum for the first time. The exhibition was enjoyed by people of all ages.

TOPICS

World's First Performance of the Ancient Festival Play Memories of the Sun Goddess "Himiko"

In November 2014, the world's first performance of this stage play took place. The performance featured a collaboration of Western and Japanese musical instruments, Kabuki, and dance. The depiction of a dynamic festival attracted a great deal of attention.



Music Division

We are involved in a variety of projects designed to promote Western music in Japan, including awarding the Suntory Music Prize to individuals and organizations who have made outstanding achievements in the field of music as well as the Keizou Saji Prize and Akutagawa Composition Prize awarded for outstanding challenging performances and up-and-coming composers. We also introduce "Works of Japanese Composers" and hold concerts.

第45回サントリー音楽賞 贈賞式 第13回佐治敬三賞 贈賞式



Suntory Music Award and Keizou Saji Prize ceremony

| Suntory Foundation

Suntory Foundation was established in 1979 as a commemorative business for the 80th anniversary of Suntory to engage in research in the field of humanities and social science and to contribute to the development of culture in local communities in Japan. The Foundation engages in various activities such as awarding of the Suntory Prize for Social Sciences and Humanities and the Suntory Prize for Community Cultural Activities, grants to research institutes and overseas publishers in the humanities and social sciences, and research and study conducted by the foundation itself.

TOPICS

Publication of "Saigo no Bunmei" (Post-Disaster Civilization)

The Society for the Study of Post-Disaster Japan (Takashi Mikuriya, Director) was established by the Suntory Foundation in the wake of the Great East Japan Earthquake. The Society compiled the results of research, survey and inspections and released them in "Asteion Special Edition: Post-Disaster Civilization," (published by Hankyu Communications) a collection of essays that consider post-disaster Japan.



Contributions to Local Communities

Suntory Group is engaged in a wide variety of activities with roots in local communities. In addition to supporting disaster affected areas and operating social welfare centers, we also engage in environmental beautification, plant tours and charity volunteer activities.

Social Welfare Organization Hojukai

Hojukai was founded in connection with the establishment of a free clinic in 1921. It continues to operate as a social welfare organization and runs a special care facility for seniors called Takadonoen, a general-purpose welfare facility called Domyoji Takadonoen, the Tsubomi Nursery School, and the West Asahi-ku Community General Support Center. To respond to the current needs, it 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.



Exchange between Takadonoen and Tsubomi Nursery School

Charity Activity through Golf Tournament



Fire trucks donated to Natori City, Miyagi Prefecture

The Suntory Ladies Open Golf Tournament has been involved in charity activities since it was first held in 1990, donating fire trucks the host city of Kobe.

Since 2011 it has been providing monetary donations to areas affected by the Great East Japan Earthquake. In 2014, two fire trucks, portable digital wireless transceivers, searchlights, and other equipment (worth approx. ¥13 million) was donated to the Natori City.

Support for Employee Volunteer Activities

For employees to actively engage in social contribution, the Suntory Group has Volunteer Leave Program. In 2014, 40 employees took advantage of this program and participated in various activities.

We are also taking initiatives to promote participation of our employees in volunteer activities such as planning company volunteer activities at Hojukai, a care facility for silver citizens, or programs in which employees can participate outside their working hours inside their offices.



Experiencing volunteer activities within the company

Courtesy Provision of Emergency Beverages

Suntory Foods Ltd. has developed and installing emergency beverage vending machine that provide soft drinks free of charge during emergency such as natural disasters. Since the soft drinks can be easily taken even when no electric power is available, many people used these machines during the aftermath of the Great East Japan Earthquake. As of the end of 2014,

approximately 15,000 of these machines, the largest number in the industry, have been installed.



Emergency beverage vending machine

→For information about "Supporting Areas Affected by the Great East Japan Earthquake" see "Feature 2: Activities to Support Recovery from the Great East Japan Earthquake" on P.17.

TOPICS

Volunteer Activity "Let's Cut Fabric!" Putting smiles on the faces of Cambodian children

The Suntory volunteer activity "Let's Cut Fabric!" implemented in 2014 was an event in which cut-out pieces of fabric donated by Suntory employees were donated to an NPO that is involved in activities that support the people of Cambodia. The fabric scraps are fashioned into dolls and balls in Cambodia. The wages earned become an important source of income for the children's parents and the dolls and balls put smiles on the faces of children who have few toys.



Photo: Society for Young Refugees (specified nonprofit corporation)

Supporting the Development of 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.

Launching a Hands-on Arts Program by Leading Musicians



Kazushi Ono teaching children during a lesson

In 2014, Minato-ku and Suntory Hall started the on-going hands-on arts program focused mainly on music "Minato-ku & Suntory Hall Enjoy! Music Project" for local fourth grade elementary school students. Kazushi Ono, the globally active conductor participated in the planning of the event organized around the theme of "Physical Expression of Music" and in its first year, the project invited the Orchestre de L'Opera National de Lyon to perform. A total of approximately 1,100 children from 19 schools attended performances held at Suntory Hall as part of their schools' special classes.

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 Sungoliath and volley ball team Sunbirds promotes their sports and holds clinics to directly teach children in an various places. In 2014, approximately 6,000 children participated in the program.



Rugby Clinic

Opening Museum for Children

The Suntory Museum of Art's "Children's Museum: Everything Open All Day!" was held in the summer of 2014. This event allowed elementary and middle school students and their parents to roam free in the museum on a day it is normally closed. There were a variety of programs designed to help children get to know the museum better. Approximately 2,000 children had a fun-filled day at the museum.



Appreciating their favorite artworks through sketching

Lending World-Famous Instruments to Young Musicians

In 2014, Suntory Foundation for Arts established a new musical instrument lending project. Winners of the Suntory Foundation for Arts Musical Instrument Special Prize at the All-Japan National Student Music Competition are loaned one of the world-famous musical instruments (violins) in its collection for a period of three years free of charge. In January 2015, the first awards ceremony for this project took place at the Competition's Tokyo Venue Award Winners' Ceremony and Commemorative Concert.



The Awards Ceremony

Providing Opportunities for Children to Experience Camping in an Uninhabited Island

A joint project run in cooperation with the Kobe YMCA (public interest incorporated foundation) from 2007 is a program that supports the growth of children in an abundant natural environment by allowing them to experience first-hand an uninhabited island within Kagawa Prefecture called Yoshima. In 2014, approximately 5,000 children participated in the program.



Children who participated in the program

Prioritized Initiatives

4

We celebrate diversity while promoting the career development of our employees who are all united by the “*Yatte Minahare—Go for it!*” spirit.

Based on the “*Yatte Minahare—Go for it!*” 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.



* This applies to the 6,415 employees (as of December 31, 2014) under an employment contract with Suntory Holdings Ltd., or Suntory Beverage & Food Ltd., and who work at any of the following companies: 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 Business Expert Ltd. or Suntory Global Innovation Center Ltd.

Human Resources Development

We are providing new value through the growth of each employee

The Suntory Group believes that human resources are the wellspring of corporate growth, and as a result has developed human resource development initiatives that encourage the expression of the "Yatte Minahare—Go for it!" spirit. In order to further strengthen initiatives in this area, we have established the Suntory University for Group-wide human resources development and training activities. The Suntory University aims to deepen the employees' understanding regarding the Suntory founder's spirit and the corporate philosophy which has been the driving force for the foundation of our business. We also aim to teach the ideas, knowledge and skills that are essential for the future of our business. As the Vice President of the University, I am working to ensure that the Suntory Group is able to provide new value to customers through the continuous learning and growth of each employee.

Masako Orii
Executive Officer and Deputy Chief Human Resources Officer
Human Resources Development, Suntory Holdings Ltd.



Human Resources

In order for Suntory to be recognized the world over, each employee must be able to play an active global role. We have initiated a variety of programs for global business development in the areas of language and cross-cultural communication, the Career Challenge program, a company sponsored MBA Program, and the Overseas Trainee Program. We also started to promote programs inclusive of employees not only in Japan, but also for employees in our overseas Group companies.



Career Challenge fieldwork

Global Leadership Development Program

We are carrying out programs for selected employees of all Group companies regardless of nationality or original company of hire in order to develop the talent who will lead Suntory's global business on into the future. One of these programs is referred to as the Global Leadership Development Program (GLDP). Through several learning sessions, the GLDP aims to develop leadership skills according to the Suntory Leadership Competency (SLC) framework, and to deepen understanding of the Suntory founder's spirit which is the driving force for our employees' actions. In 2014, 20 employees (including nine Japanese) participated in this program from around the world.



Global Leadership Development Program

Career Vision System

The Suntory Group has implemented the "Career Vision" system, a human resource development initiative in which employees, their superiors, and the Human Resources Division 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, long-term career goals and efforts needed to achieve goals are discussed. In order to enhance this system, we established a site on the company's Intranet to support each employee's career design as well as other initiatives to strengthen the system.

Establishing "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—Go For It!" spirit through the undertaking of original activities that challenge the preconceptions of conventional methods.



The Suntory Group is continually pursuing the creation of new value on a global basis by working hard and having big dreams.

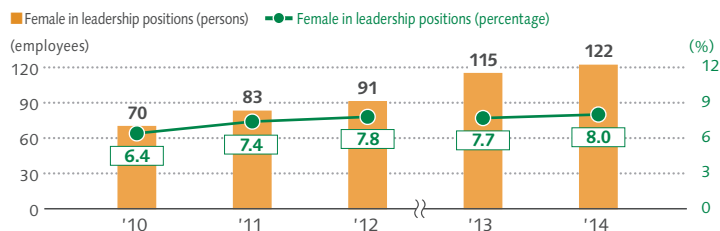
Promoting Diversity

We are focused on creating a workplace that not only promotes each employee's unique character, but also recognizes and incorporates differences into the organization so that our diverse employees can fully embody the "Yatte Minahare—Go for it!" spirit.

Empowerment of Female Employees

We are endeavoring to enhance participation of women across the business as one of our initiatives within diversity management. Our goal is to ensure that 20% of our managerial positions are held by female employees by 2025. We are working to increase the career potential awareness of female employees by holding panel discussions and the Career Cafe in the form of round-table discussions for those in leadership positions. We also have developed the New Generation of Women in Sales College which is a venue for exchange between women in sales positions from various business segments. Additionally, by holding the Women in Management Forum and the Female Managers Networking Board, we are working to strengthen professional networks among women and change conventional thinking through the examples of females in executive positions.

Female employment data



* Through 2012, figures were only for Suntory Holdings Ltd.

An opportunity beneficial for the future career and obtaining practical skills

The New Generation of Women in Sales College provided me with an opportunity to consider my career hereafter while helping me to obtain practical skills. Working in a team of members with a diversity of opinion during this program provided me with the opportunity to improve my team-building and presentation skills. I will certainly make use of this experience in my actual work in the Sales Planning Division where I continually coordinate activities with various people.



Naoko Kozono
Metropolitan Sales & Marketing Division
Suntory Liquors Ltd.

The Global Human Resources Conference

In order to create synergy on a global scale, we regularly hold the Global Human Resources Conference with human resources professionals from our overseas Group companies. We actively exchange information and discuss specific topics such as leadership and future key talent development.

The Ambassador Program

We have developed the Ambassador Program as one of our initiatives designed to promote international exchange within the Group. While in Japan, employees of overseas Group companies learn firsthand about the core elements in the DNA of Suntory. Upon returning to their countries, they impart their experiences and learnings within their own companies. As well, this Ambassador Program is occasionally conducted on-site at the overseas Group companies.



Ambassador Program

Employing Persons with Disabilities

The Suntory Group is working to expand the possibilities for persons with disabilities by promoting employment opportunities within the Suntory Group. Suntory Holdings also has started internship programs for mentally challenged students. Persons with disabilities account for 2.3% of the labor force at Suntory Holdings Ltd. and 2.03% at Suntory Beverage & Food Ltd., as of June 1, 2014. In order to create a working environment that is accepting of persons with disabilities, we have created and distributed a Handbook for managers and have adopted the "Disability Support Leave" policy.



Group-wide company information session to explain career opportunities for persons with disabilities

Extension of Retirement to Age 65

Meeting the employment needs of older employees is both a company's social responsibility and a chance to effectively utilize the experience and skills they have amassed over many years. In 2013, Suntory Group made a decision to extend its mandatory retirement age from 60 to 65. As well, we began providing Career Workshops for employees in their fifties as opportunities for thinking about their working life into older age.

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.

Work Style Innovation



Intranet contents Chance Hiroba



A typical web conference

The Suntory Group is taking steps to innovate work styles with the objectives of generating high productivity, high-quality output and new value creation as well as enabling diverse employees to work with enthusiasm. In order to achieve flexible working styles that are not restricted by time and location, we have abolished mandatory "core time" in our "flextime working rule" and also expanded the scope of, and the number of employees who qualify for "teleworking."

We are promoting work style innovation in each department in accordance with department needs such as by adopting a discretionary labor system in our R&D departments and by introducing new work styles that utilize tablets and smartphones in our sales divisions.

In addition, we have established Premium Time, a time to get employees away from their computers, make on-site visits, and think about the essentials of their jobs. We also have created "Chance Square" on our corporate intranet to provide for the sharing of information and encourage exchanges of opinions in order to revolutionize work styles.

In 2015, we are putting effort into encouraging various work styles and promoting the full use of annual paid leave by encouraging more use of flextime and planned annual leave.

Supporting Working with Child and Nursing Care

The Suntory Group has a variety of systems in place to support employees in balancing both work and either childcare or nursing care. We support childbirth and childcare through the adoption of a shortened and staggered working hour program that can be utilized from early pregnancy.

We actively promote the use of this system not only by female employees but also by male employees. In addition, we have instituted the "Guidance for Fathers" program which is attended by male employees with children up to one and a half years old and their managers. We have also established a system that encourages male employees to take childcare leave and are working to create a work environment in which it is easy for fathers to share responsibility in childcare.



Guidance for Fathers at the Musashino Beer Plant

Supporting my wife with the cooperation from colleagues

Utilizing Suntory's Welcome Baby Care Leave (WBC) which provides five consecutive paid vacation days from the start of childcare leave, I took WBC during a hectic time for my family right after the birth of our second child. The fact that my supervisor and co-workers had understanding of this system reduced the psychological stress associated with my taking time off.

This system can be used up until the child is one and a half years old, which means that it can be tailored to meet the needs of both the family and the workplace.

Akihiro Koretsune
Group Information Systems Division,
Business Systems Headquarters,
Suntory Business Expert Ltd.



Initiatives in Human Rights

Holding Human Rights Lecture

The Suntory Group is engaged in continuous human rights education activities in order to improve awareness and create a corporate culture that respects human rights. During 2014 and 2015, we invited outside experts to give human rights lectures on the topic of "Human Rights for a Healthy Workplace." We also include human rights education in the orientation seminars for employees at different levels, such as new manager and new employee training.



Prioritized Initiatives

5

We promote CSR throughout our entire supply chain, working with our business partners.

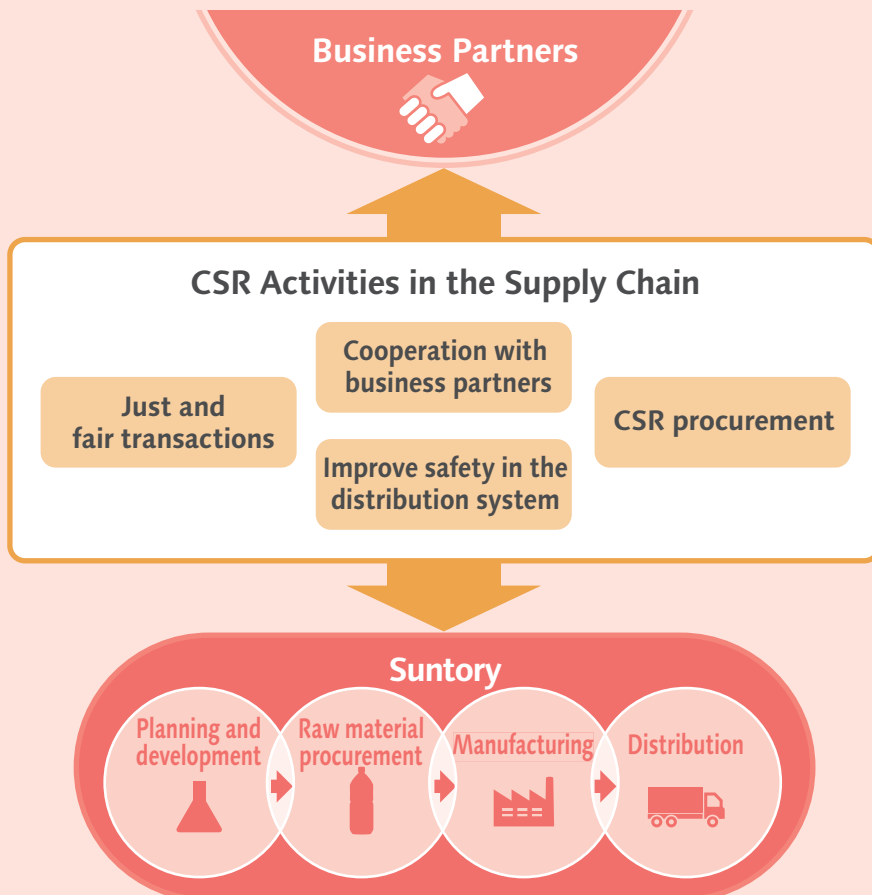
To stably deliver high-quality products and services to customers, it is essential to have good cooperative relationships with business partners. In addition, social requirements regarding compliance, human rights, and the environment have increased throughout the world. For these reasons, CSR activities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

We also hold seminars on our policy, questionnaire to monitor status of CSR activities, on-site hearing and other initiatives to strengthen coordination with the business partners.



CSR Procurement and Cooperation with Business Partners



We are strengthening our relationships with our business partners.

Suntory Group's business is made possible by the support of a wide variety of companies that cooperate with us to procure ingredients and materials, distribute our products and many other tasks. We will continue to consider these companies as important business partners and are working to improve our healthy business relationships as well as mutual trust.

At the same time, we fairly evaluate the quality and safety of each company's products and services, their ability to supply, environmental preservation, and social contribution initiatives, etc. On the basis of this evaluation, we decide whether to make them a business partner or to continue doing business with them. In addition, we hold briefings and send questionnaires to our major suppliers and distribution companies to promote their involvement in CSR activities and increase their level of activity. We will continue to provide opportunities for all parties to actively discuss these issues and further improves our relationships with our business partners.

Yukio Okizaki

Senior Managing Director, Member of the Board, Chief Operating Officer, SCM Division
Suntory Business Expert Ltd.

Promoting CSR Activity in the Entire Supply Chain

Suntory Group has drafted the Basic Policy on Supply Chain CSR to further promote CSR activities in the entire supply chain with our business partners.

As part of the initiative, we hold policy briefings and self-evaluation questionnaire every year targeting major partners of the Purchasing, Packaging Material Development and Distribution Service & Ordering departments. Through the questionnaire in 2014, we have confirmed that average of companies that responded were 2.74 points for the Purchasing Department, 2.91 points for the Packaging Material Development Department and 2.70 points for the Distribution Service & Ordering Department. In addition, the Purchasing Department conducts interviews with producers of malt and hops, main ingredients of beer, regarding human rights issues such as child labor and forced labor.

Sharing Basic Policy on Supply Chain CSR

We share Suntory Group's Basic Policy on Supply Chain CSR at the Global SCM Conference which overseas Group companies participates and also survey activities to promote CSR procurement by each company.



Global SCM Conference

Visiting Production Site of Ingredient Suppliers

In order to improve the quality and business operations of both Suntory Group and its business partners, we visit our raw material suppliers' sites to check quality and exchange information and opinions.



Grapefruit farm
(Florida, U.S.)



Oolong tea plantation
(Fujian, China)

Promoting Distribution Considering Safety with Distribution Affiliates

Each year, we hold a Safety Promotion conference attended by safety representatives from 140 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 through the showcasing of outstanding initiatives and safety activities through study groups and contests and by presenting awards to safe drivers and sites.



14th Safety Promotion conference

Prioritized Initiatives

6

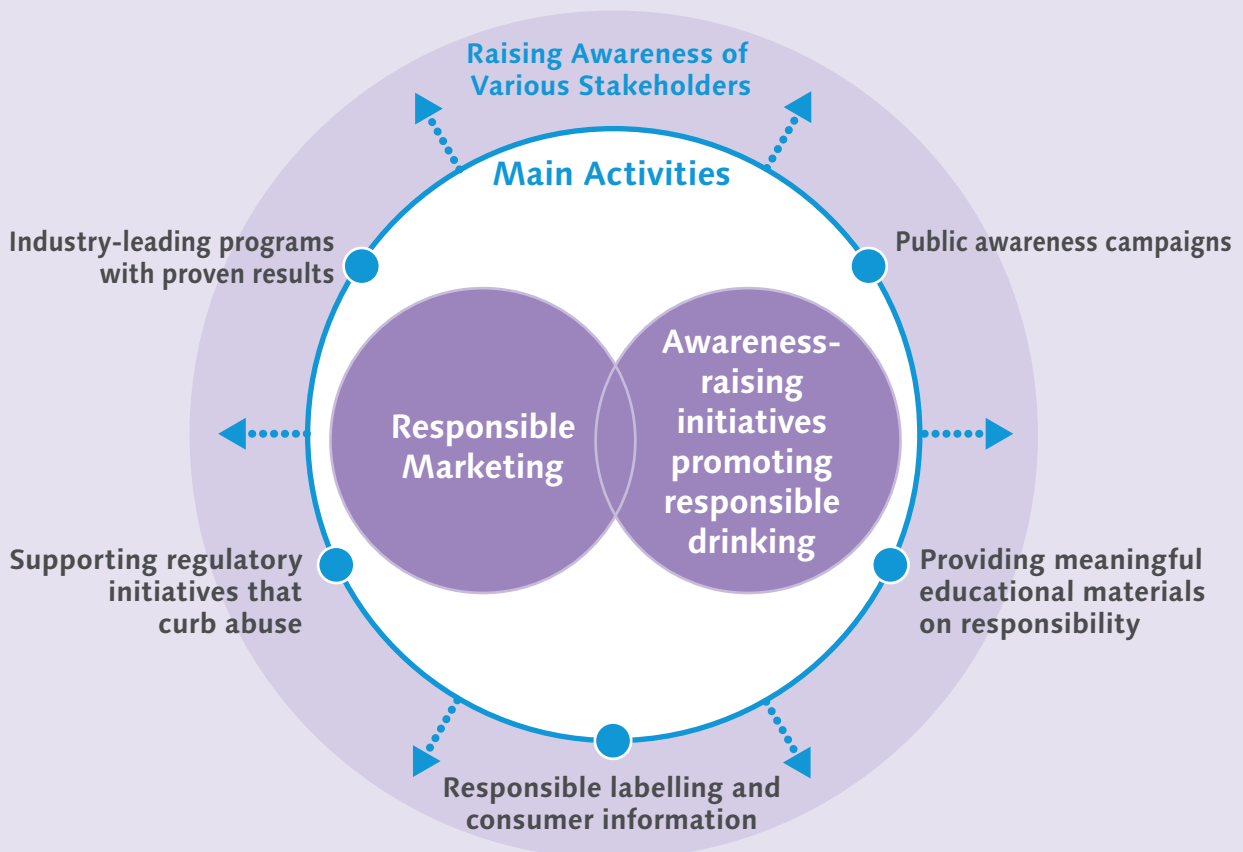
We commit to responsible marketing and reducing harmful drinking as a leading alcoholic beverage company.

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. In 2014, when Beam Suntory, which has a global marketing code of practice, joined the Group, we started holding regular meetings with their team on alcohol-related problems and responsible marketing.



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.

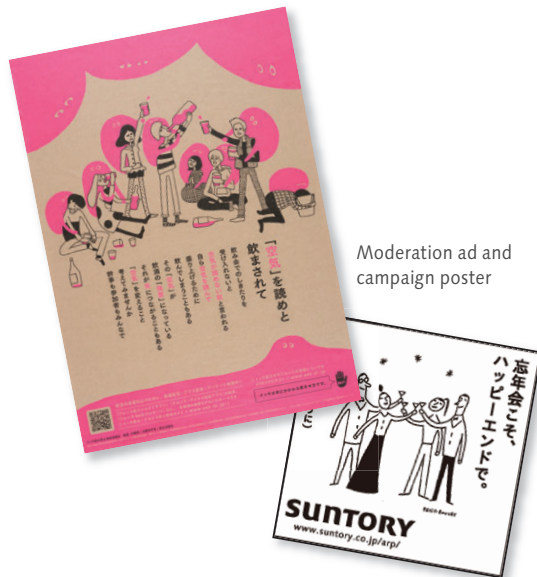
Raising Awareness of Responsible Drinking among Customers and Employees

Since 1986, the Suntory Group has supported a moderation advertising campaign in Japan's major national newspapers which delivered the message of "Drink in Moderation" more than 150 times by the end of 2014. We support the goals of the "No Binge Drinking! Campaign" and we have also been involved with the design and branding of posters and flyers since the initial campaign in 1993.

In addition to these activities, we conduct responsibility program for employees of Group companies in Japan. Furthermore, we regularly meet with Beam Suntory to discuss our vision and policies related to alcohol-related issues with Beam Suntory.



Meeting with Beam Suntory



Moderation ad and campaign poster

TOPICS

Beam Suntory "drink smart®" Program

Beam Suntory has developed the "drink smart®" program globally as the foundation of its responsibility initiatives. Drink Smart focuses on 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.



Improving Industry-wide Initiatives

A variety of activities are carried out in cooperation with the industry

As a member of the Brewers Association of Japan, the Japan Spirits and Liquor Makers Association and other bodies, we promote the display in stores of posters against underage drinking, organize campaigns soliciting prevention slogans, run awareness-raising ads in newspapers and magazines and add warning labels to product packaging where appropriate.



Warning Labels and Braille Labeling on Product Packaging



STOP! Underage Drinking logo

Cooperating with Alcohol Producers Around the World to Reduce Harmful Drinking

In 2013, leading global spirits, beer and wine companies committed to specific actions to support realization of the World Health Organization's goal of reducing harmful use of alcohol around the world. With the cooperation of the Brewers Association of Japan and the Japan Spirits & Liqueurs Makers Association, Suntory Group has been active in implementing the commitments, which focus on reducing underage drinking, strengthening and expanding marketing codes of practice, providing consumer information and responsible product innovation, reducing drinking and driving, and enlisting the support of retailers to reduce harmful drinking. The industry's progress on implementing these commitments is independently verified and published annually. From 2015, we are implementing the commitments on a global level as Beam Suntory.



Progress Report

Corporate Governance/Risk Management/Compliance

We are striving to strengthen and improve the management system to ensure we continue to be a company that is trusted by our customers and society.

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 11 directors, including 1 outside director (as of April 2015). The Board of Directors engage in concrete discussion, debate and make decision regarding management issues of the entire Group and also function as auditors of the business administration practiced by all Group companies.

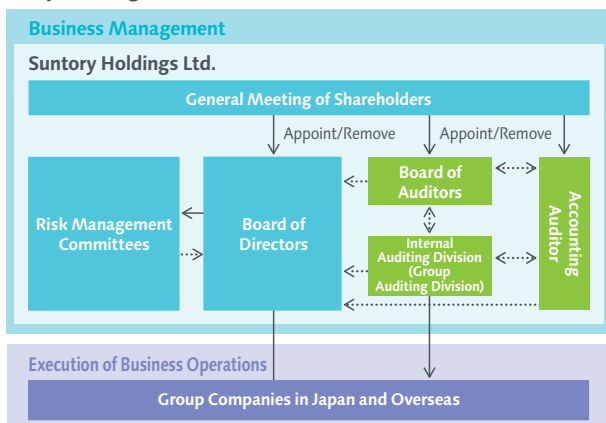
They have also separated the business administration decision-making process from the execution of business operations and make swift decisions through the adoption of the Executive Officer system.

The Management Auditing System

Suntory Holdings' Board of Auditors is made up of four auditors, including two external auditors (as of April 2015). It audits the execution status of business operations as well as the status of the internal control system. In addition, Suntory Group has established a Group Auditing Department that acts as an internal auditing department 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



Risk Management

The basic principle of risk management at the Suntory Group is self-management at operational level by each Group company. Suntory Beverage & Foods Ltd has its "Risk Management Committee," Beam Suntory has its "Global Risk & Compliance Committee," and Suntory Holdings has "Group Risk Management Committee" to solve issues regarding Group-wide risks.

In addition, in response to the expansion of global business, the "Global Risk Management Committee" was newly established in the April 2015 in order to carry out global risk management throughout the entire Group, including overseas Group companies. These objectives of the various committees are to ascertain risks, execute countermeasures, engage in activities related to the establishment of crisis management systems, and fulfill responsibilities to all stakeholders, including consumers.

Promotion of Compliance

In 2003, we created the Suntory Group's Code of Business Ethics to enable all Group employees to carry out their duties with common values and standards of conduct. Based on this code, we have prepared a compliance promotion system that takes into consideration the Group as a whole. In addition, the details of this code were revised in accordance with ISO26000 on social responsibility in order to create guidelines for the promotion of taking prudent actions by employees, and it was included in the Action Principles (Our Principles) that form the basis upon which we execute the corporate philosophy in 2012.

Compliance Hotline

In order to quickly identify and rectify behaviors that are in conflict with Suntory Group's Code of Business Ethics, we have set up two internal "Compliance Hotlines" that can handle inquiries of this nature.



Practical Activities

A small booklet containing the Group's corporate philosophy and the Suntory Group's Code of Business Ethics are distributed to all employees of the Group including overseas, and information is continually made available on the Group's Intranet.



History of Suntory

Business Activities

Social & Environmental Activities



1899
Inauguration of business and initiates production and sales of grape wine



1923
Production of Japan's first whisky started



1963
Company name changed to Suntory Limited



Brewing and sales of "Suntory beer" initiated



1972
Suntory's beverage and food business fully launched



1978
MIDORI, melon liqueur, marketed in the United States



1983
Chateau Lagrange begins business operations



1984
Entered to the beer market in China



1993
Entered to the health food business



2004
World's first "blue rose" successfully developed



2009
Acquired Orangina Schweppes Group



2013
Suntory Beverage & Food Limited publicly listed



2014
Beam Suntory Inc. established

1921
Hojukai established and Imamiya dispensary opened



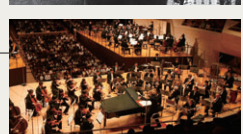
1946
Institute of Food Chemistry established (currently the Suntory Foundation for Life Sciences)



1961
Suntory Museum of Art established



1969
Suntory Music Foundation established (currently the Suntory Foundation for Arts)



1973
Suntory bird conservation activities started



Volleyball team established



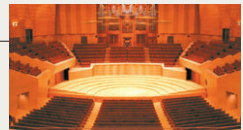
1979
Suntory Foundation established



1980
Rugby team established



1986
Suntory Hall opened



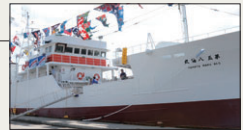
2003
Suntory's "Natural Water Sanctuaries" activities started



2004
Started the Suntory Mizuiku-Education Program for Nature and Water that teaches the next generation about the environment



2011
Support for the recovery from the Great East Japan Earthquake "The Suntory Tohoku Sun-Sun Project" (2011 onwards)



2014
Formulation of the Suntory Environmental Vision toward 2050

