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"In Harmony with People and Nature"

— Being in harmony and coexisting with people, society, and nature.

This is the mission we have given ourselves at Suntory and the ultimate goal we strive toward.

The stage for activities of the Suntory Group is expanding globally today,
but we will never waver in our approach.

An aim to contribute to creating a fulfilling lifestyle for people
while always coexisting with society and the beautiful natural environment
by delivering the highest quality of products and services.

This report introduces various initiatives of the Suntory Group based on
"In Harmony with People and Nature."



Suntory Group Overview

Corporate Overview

Suntory Group

Group companies: **337**^{*1}

Employees: **42,081**^{*1}

Consolidated sales: **¥2,686.8** billion^{*2}

Consolidated ordinary income: **¥156.3** billion^{*2}

^{*1} As of December 31, 2015

^{*2} January 1, 2015 to December 31, 2015

Suntory Holdings Limited

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

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

Inauguration of business: 1899

Established: February 16, 2009

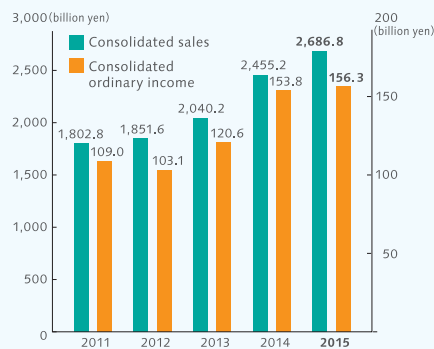
Chairman of the Board & Chief Executive Officer: Nobutada Saji

President & Chief Executive Officer,

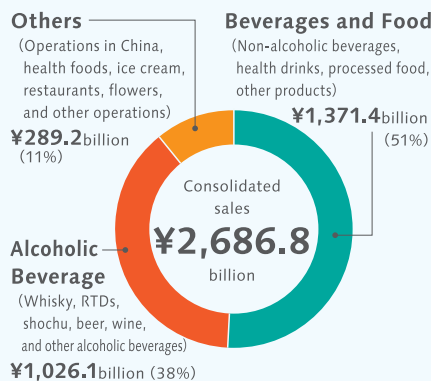
Member of the Board, Representative Director: Takeshi Niinami

Capital: ¥70 billion

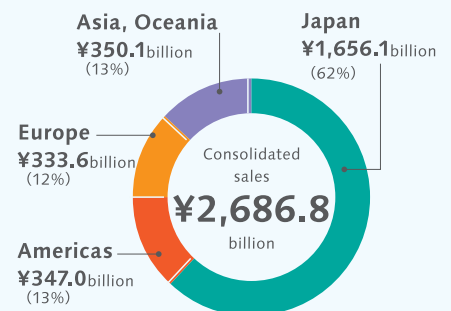
Consolidated sales / Consolidated ordinary income



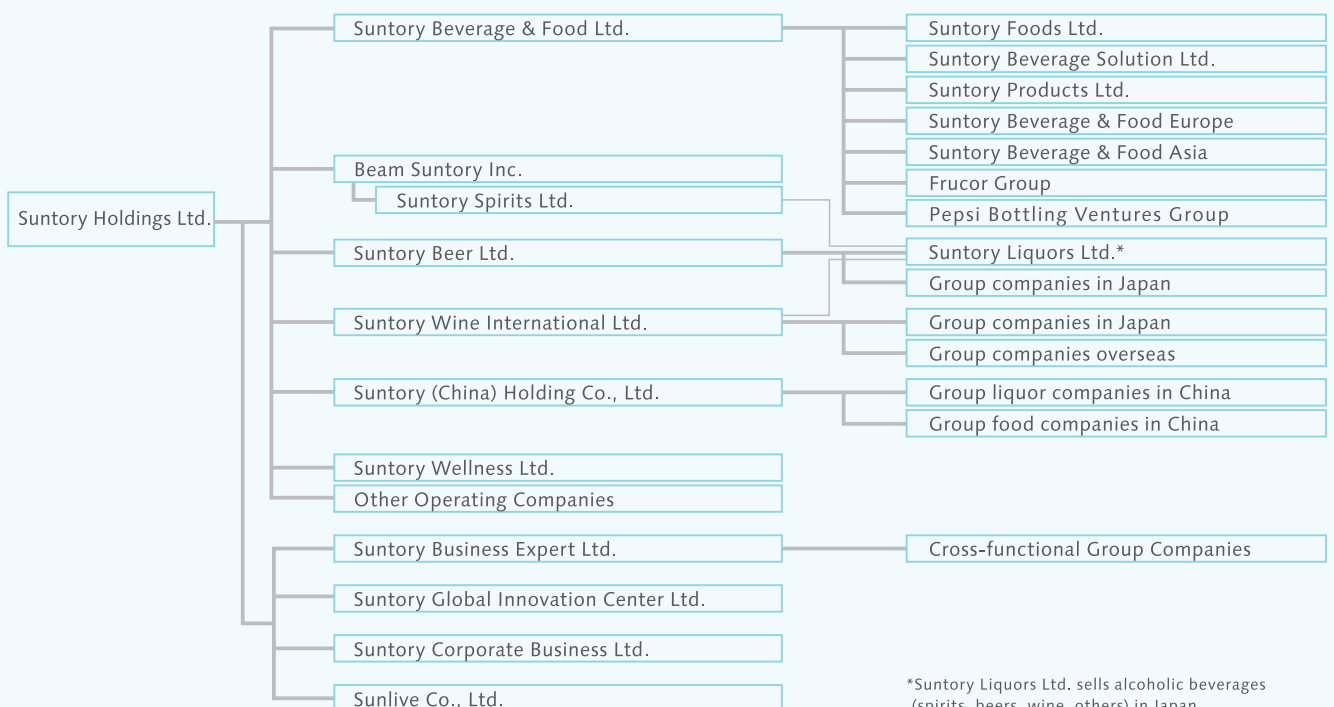
Sales by business segment (FY2015)



Sales by geographic region (FY2015)



Group Organizational Diagram (as of April 1, 2016)



*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 food and ice cream 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 food for specified health uses (FOSHU). 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, Asia, Oceania, the Americas, etc.



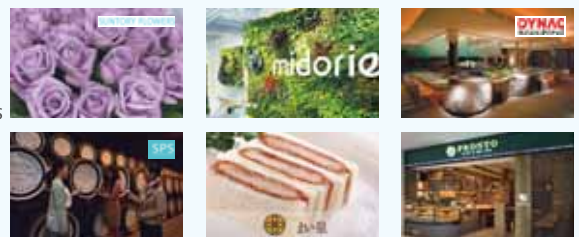
Alcoholic Beverage Business

Since the inauguration of its business in the production and sale of wine in 1899, the Suntory Group has continued taking on challenges in new businesses, including production of Japan's first authentic whisky and entry into the beer market, to provide a wide variety of products as a multi-faceted beverage company. Aiming for greater growth, we pursue global expansion of our spirits business through Beam Suntory Inc., and have strengthened our beer business through Suntory Beer Ltd. We are engaged in winemaking of the highest quality in Japan and Europe, and have also linked up with noted wineries around the world to develop a wine business based on a global perspective.



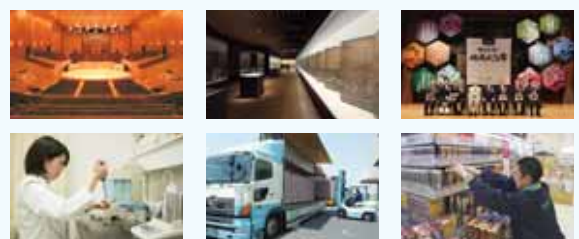
Restaurants, Flowers, and Services

We are expanding our restaurant business 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, and Izutsu Maisen, and restaurant business centered in Mexico and Asia. In addition, our flower business which utilizes biotechnologies developed in our other existing businesses, has yielded a wide variety of products including the world's first blue rose. We are also developing our greenification business, which propose wall surface greenification system, as well as advertising and support for sales promotion, and reception service 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 organization that operates senior care facilities and nursery schools.



Suntory Group Overview

The Suntory Group Around the World

Names of Group companies: As of April 1, 2016

Number of Group companies and employees: As of December 31, 2015 (total of 337 companies and 42,081 employees)

Sales: January 1 to December 31, 2015 (total of ¥2,686.8 billion)

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

Sales : **¥333.6**billion

Group companies : **103**

Employees : **4,945**

Europe ^{*1}

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

Sales : **¥350.1**billion

Group companies : **98**

Employees : **13,851**

Asia/Oceania

- Suntory Beverage & Food Asia
- Cerebos Group
- Suntory Garuda Group
- Suntory PepsiCo Vietnam Beverage Co., Ltd.
- Tipco F&B
- Frucor Group
- Suntory (China) Holding Co., Ltd.
- Suntory Huiyuan (Shanghai) Beverage Co., Ltd.
- ASC Fine Wines Holding Ltd.
- Suntory (China) Holding Co., Ltd.
- Suntory F&B International Group
- Suntory Business Expert Asia Pte. Ltd.
- Suntory China Quality Assurance Center Co., Ltd.
- Gold Knoll Ltd.

*1 Europe, Middle East and countries in Africa

Sales : **¥1,656.1**billion

Group companies : **83**

Employees : **18,100**

Japan

- Suntory Beverage & Food Ltd.
- Suntory Foods Ltd.
- Suntory Foods Okinawa Ltd.
- Suntory Beverage Solution Ltd.
- Suntory Beverage Service Ltd.
- Sunvend Co., Ltd.
- Japan Beverage Holdings, Inc.
- A-Star 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.
- Izutsu Maisen Co., Ltd.
- Suntory Flowers Ltd.

- Suntory Midorie Ltd.
- Suntory Marketing & Commerce 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

Sales : **¥347.0**billion

Group companies : **53**

Employees : **5,185**

Americas^{*2}

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

*2 Countries in North America as well as Central and South America



Top Dialogue

Taking the "*Yatte Minahare-Go for it!*" Spirit to the World

- Toward Making Suntory a Truly Valuable Global Corporate Group

Takeshi Niinami

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

Eddie Jones

Head Coach of the England National Rugby Team

How should an organization be built so it can compete on the world stage?

How do you gain a competitive edge? What is required to become something of value?

Eddie Jones, a renowned coach in the world of rugby, and once the head coach of Suntory's own rugby team, and Takeshi Niinami, President of Suntory Group, whose goal is to make Suntory a truly global company, discussed their thought and ideas.

Common values create strong organizations

Niinami

Your success at the Rugby World Cup 2015 as head coach of the Japan national rugby team was really something amazing. You are also now enjoying great success as the head coach of the England national rugby team. Today, I am hoping that as a leader recognized worldwide, you can offer some hints for our global management.

Jones

I am more than happy if I was able to contribute something to

the world of Japanese rugby through our matches at the World Cup. I have a special affection for Suntory even today, not only for the Suntory SUNGOLIATH team, but also for The Premium Malt's, a product I really enjoy.

Niinami

I believe there are many shared traits between rugby as a sport and corporate management. Currently, as a global company that got its start in Japan, the Suntory Group is competing with rivals worldwide.

How did you go about building a team to compete on the world stage, Eddie?

Jones

The first thing I strove toward was raising awareness among the players to shift from "can't do" to "can do."

I began by dispelling the thought among the players that Japanese can't win against the world. People need to feel like they are able to confront challenges with a can-do optimistic attitude.

It is then important to have management that understands the individual players and can maximize their abilities. To become a team that can prevail on the world stage, each player needs to have a clear objective and needs to recognize that objective as a common value.

Niinami

Diversity management that utilizes a wide range of people is extremely important as the Suntory Group globalizes further. Common values are also indispensable to building a sense of unity among diverse human resources.

The two principles of the Founding Spirit passed down by Suntory founder Shinjiro Torii are rooted deeply in Suntory to this day. These principles are the "Yatte Minahare - Go for it!" spirit of always stepping up to challenges to create new value unique to Suntory, and the spirit of "Sharing the Profit with Society" to continually contribute to society.

Jones

That is vital. In terms of rugby, the overall strength of a team can overpower the competition even when a competitor has superior skills on an individual level, as long as the team shares the same values, the same desires, and understands what action needs to be taken. Our team had this in the World Cup.

Niinami

We established Suntory University and Suntory Founding Spirits Hall to internalize our common values globally. Uninhibited communication that goes beyond business is also important. We would like to use these venues as places for active communication that will heighten our sense of unity based on the phrase "ONE SUNTORY."

Jones

"ONE SUNTORY" is a great phrase. The people of Suntory are all upbeat, very energetic and forward-looking. I am sure the spirit of your founder has permeated throughout the company. The spirit of stepping up to challenges is important to everyone regardless of country, and I think a strong, unified organization can be built with this spirit.



Eddie Jones

Born in Australia in 1960. Appointed coach and technical advisor of Suntory SUNGOLIATH in 1997. Named general manager of the team in 2009, as well as head coach in 2010. Led the Japan national rugby team from 2012 to 2015. Currently the head coach of the England national rugby team.

Competing globally utilizing strengths

Niinami

Eddie, was there anything you kept in mind in building a team that would compete against the rest of the world?

Jones

The first thing that is important when competing globally is to know your own strengths. Japanese players train hard and are loyal and honest. I took care to build an environment where we could suggest training to bring out our players' strengths, that recognized their honesty, and in which players could express their sense of loyalty. After that, I searched for ways to compete against the world, elements where we have an edge, and then stuck to a fast-paced playing style that would give our competition no time to think.

Niinami

The ability to compete against great teams worldwide was attained by fully recognizing the strengths born from a culture and characteristics unique to that country, strengths which you then honed further. That really resonates with me.

Jones

You always have to be looking for your strengths. I think business is the same, in that your perspective is to look for where your advantages lie in the market.

Niinami

The Suntory Group is multi-faceted food and beverage company whose business is centered around alcoholic and non-alcoholic beverages as well as health foods. We must pursue synergy and demonstrate our strengths by utilizing our unique portfolio to succeed in a fiercely competitive global market.



We hope to bring innovation to the world through "ONE SUNTORY"

Jones

I had a look at a description of the Suntory Group's business a moment ago and saw that the Group operates in countries around the world. I was surprised. You really have a rich variety of very appealing products.

Niinami

Thank you. Our strength is our ability to create new value conceived with customers at the heart. The Suntory Group provides products to people of all ages. The knowledge we have gained from this broad range of contact points we can then utilize in developing new ideas as well as in our other business activities. Our goal is to achieve a kind of innovation unique to Suntory, through these ideas generated with our customers at heart. We always have to know what our customers expect before they do.

Jones

You innovate with customers at the heart. I know your products are so appealing because they are based on this kind of concept.

Niinami

What support our strengths are our R&D&P (Research, Development, Production) capabilities. We have brought about a variety of innovation with these capabilities, and last year we established the Suntory World Research Center to further reinforce them. We are able to create an even higher level of synergy through strong links that go beyond specific business and fields and differences in culture, and by advancing our technological capabilities through open innovation. We hope to respond to the expectations of an even broader range of customers by developing even higher quality products while offering the world new value.

Jones

Contributing to the world by creating new value is an amazing feat. I think Suntory is an innovative company that will always look ahead as it continues to grow.

Niinami

The most important element driving these strengths is that we earn the trust of our customers by continuing to offer high-quality products that are safe and reliable. Always be steadfast in aiming for the highest quality and taste.

This is, in fact, the *monozukuri* (craftsmanship) spirit that Suntory has continued to nurture throughout its long history. We would like to share and establish throughout the entire Group this spirit of never being satisfied with the status quo, of always pursuing ever higher quality.

A company of value that is trusted by people

Niinami

The Japanese national rugby team earned high acclaim and

Know your strengths and use them to compete on the world stage

praise worldwide at the World Cup. I think this means that Japan's team has truly achieved global recognition. As a Japanese, I am proud that our team is not only strong, but has received popular recognition and praise.

Jones

The team received such praise because of its highly motivated players and a playing style that enabled them to go bravely toe-to-toe against some of the strongest teams in the world. That style has greatly changed the image people worldwide had of Japanese rugby. We were not able to reach the top eight, but I am proud of this amazing team that will live in the hearts of fans for the rest of their lives.

Niinami

We at the Suntory Group are also not limiting our thinking to becoming a global player and earning even greater profit. We hope to become a company that is valued and accepted around the world. We operate with the goal of enriching people's lives, and the world as a whole, by coexisting with society and nature based on our mission "In Harmony with People and Nature." We believe this will lead to earning society's trust and, indirectly, will support the growth of our business.

Jones

Whatever you do, you need to fully believe in what you are doing. Even if it may be an impossible dream, dreams can come true by setting a goal, believing it can be accomplished and doing what needs to be done. Organizations that can do things this way will gain trust.

Niinami

I agree. In 2005, we established a corporate tagline, "Follow Your Nature," to continue and further promote activities aimed at coexisting with society and nature, and to share that concept with society. We intend to actively implement Suntory Group's CSR management around the world with this message.

Jones

"Follow Your Nature." It sounds great. I can sense Suntory's determination to achieve its ideals globally. The Suntory that I know is an innovative company that is very upbeat, positive, always looking forward, and continues to grow.

I am confident Suntory will become a global company trusted by people around the world. Take your "Yatte Minahare-Go for it!" spirit to the world!

Niinami

My desire to achieve the goals of our global CSR management is even stronger now after our discussion today, Eddie.

We will work to dream big and go for those dreams together as Suntorians under "ONE SUNTORY," delivering new excitement to customers worldwide!

Thank you very much for your time today.



History and Philosophy of Suntory Group

History and Growth Rooted in the Founding Spirits

Yatte Minahare — Go for it!

History of business activities

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.

1899 **Founded Torii Shoten**



Suntory Founder: Shinjiro Torii (1879~1962)

Founded Torii Shoten store in Osaka City and initiated the production and sales of grape wine (Founded Kotobukiya Limited in 1921)

1907
Released Akadama Port Wine, a sweet grape wine



1923
Initiated the manufacture of the first domestically-produced whisky in Japan



1937
Released Suntory Kakubin (square bottle) whisky



1963
Company name changed to Suntory Limited



Released Suntory Beer



1972
Suntory's beverage and food business fully launched



1978
MIDORI, melon liqueur, marketed in the United States



1981
Released Suntory Oolong Tea



1983
Château Lagrange begins business operations



1960s



Hjukai established and Imamiya dispensary opened
1921



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



Suntory Museum of Art opened
1961



Torii Music Foundation established (Name changed to Suntory Music Foundation in 1978. Current Suntory Foundation for Arts)
1969



Suntory Foundation established
1979



Suntory bird conservation activities started
1973



Volleyball team established
1973



Rugby team established
1980

Coexisting with Society and Nature: "Sharing the Profit with Society"

History of social and environmental activities

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.

The Suntory Group has been continuously taking on challenges to create new values and contributing to realizing an abundant society. The driving force behind it are "Yatte Minahare - Go for it!" spirit of taking on new challenges and the spirit of "Sharing the Profit with Society" that aims to coexist with society and nature, which have been passed down since our founding.

1984
Released Suntory Single Malt Whisky Yamazaki

1986
Suntory Hall opened

1993
Entered into the health food business

1996
Released Super Hops happoshu

1990s

2004
Released Suntory lyemon (bottled green tea)

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

2004
Suntory's "Natural Water Sanctuaries" activities started

2005
Awarded the Monde Selection's Grand Gold Medal in the Selection of Beers division to The Premium Malt's for the third consecutive year from 2005

2009
Acquired Orangina Schweppes Group

2011
Started support for the recovery from the Great East Japan Earthquake "The Suntory Tohoku Sun-Sun Project"

2013
Suntory Beverage & Food Ltd. publicly listed

2014
Formulated Suntory Environmental Vision toward 2050

2014
Started the support for challenged sports

2014
Beam Suntory Inc. established

2015
New research and development facility Suntory World Research Center completed

2015
Started the *Suntory Mizuiku*-Education Program for Nature and Water overseas, first in Vietnam

Our Mission
Toward Realizing
"In Harmony with
People and Nature"



Suntory Group Activities

Engaging in Various Activities to Realize
"In Harmony with People and Nature"

Our Mission

Toward Realizing
"In Harmony with
People and Nature"

In Harmony with
**Customers
and
Partners**

**Products and
Services**

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

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

In Harmony with
Nature

Environment

To ensure limited water and resources for future generation

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

In Harmony with
Society

**Cultural and
Social
Contribution**

To Build a bright future with initiatives rooted in the region

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

In Harmony with
Employees

**Diversity
Management**

To nurture human resources with bigger dreams for the world

Suntory Group aims for human resource development that challenge to create new values with diversity management as its basic policy and create a working environment filled of creativity and every employee can exert their full potential.

Corporate Tagline

SUNTORY
FOLLOW YOUR NATURE

"Follow Your Nature" is our corporate brand promise. It is not just a tagline, but an open door, welcoming employees, consumers, and external stakeholders to understand who we are and what we believe. At the same time, it is an aspirational call to action, inviting people to celebrate and freely express themselves.



Group Quality Conference to promote quality assurance



Establishment of Suntory World Research Center



Customer Center responding to customer feedback



First Hand Experience with Forestry by Group employees



Launching of *Suntory Mizuiku*-Education Program for Nature and Water overseas



Implementation and promoting of "2R+B Strategy" to reduce environmental impact



Suntory Hall celebrates its 30th anniversary



Rugby Clinic by SUNGOLIATH



Supporting challenged sports



Opening of Suntory University



Ambassador Program to share the philosophy



"Guidance for Fathers" participated by male employees and supervisors





In Harmony with Customers and Partners

Products and Services

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

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

Suntory Quality Policy

All for the Quality

The ratio of customers that provided feedback on products or services and answered "will like to continue using Suntory products in the future" in the customer satisfaction questionnaire (2015)

93%

Customer Safety and Reliability

Basic of Customer First Quality Assurance : All for the Quality

Suntory Group has been maintaining and improving quality management system in all Group companies in and outside Japan to respond to global expansion and entry into new fields of business to offer safe, reliable and healthy products to our customers. We are engaging in quality assurance activities from customer perspective under the Suntory Quality Policy "All for the Quality" in all processes from product planning and development to procurement of water and raw materials, manufacture, distribution, sales, services and point of consumption, in order to offer safe, reliable and healthy products to our customers.

Suntory Quality Policy

"All for the Quality"

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

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



▲Quality Conference with overseas Group companies

Improving Quality Assurance of the Entire Group

The Suntory Group conducts quality workshop by the Chief Quality Officer of Suntory Holdings Ltd. to strengthen the quality management system of the Group companies. This workshop is conducted to improve the ability to ensure quality in the entire Group evaluating the status of the quality management of each Group company and determine their issues and strengths. We will continue to improve the ability to manage quality and level of quality assurance of each Group company and the entire Group through continuously enhancing similar activities.

Topics

Quality Assurance Activities at Restaurant Group Companies

The Suntory Group has established a Restaurant Quality Assurance Committee underneath its Quality Assurance Committee. The committee, where all the restaurant Group companies participate, promotes activities that would help prevent major problems from occurring at all restaurant Group companies and to determine the causes and prevent recurrences of quality-related problems when they do arise.



▲Restaurant Quality Assurance Committee

Promoting CSR Procurement



▲Oolong tea plantation (Fujian, China)

Improving Cooperation with Business Partners

We promote initiatives throughout the entire supply chain as well as with our business partners to realize sustainable procurement. We are surveying and confirming appropriate operation for not only the quality on production sites for products such as the Suntory Oolong Tea but also for the state of initiatives toward the environment as well as the workplace to name a few. We also bring together the people in charge of procurement both in Japan and overseas at the Suntory Group to participate in a global procurement meeting each year. We review and discuss the activities to promote CSR procurement while keeping in mind the Suntory Group's Basic Policy on Supply Chain CSR.

Creating Value

Research and Development to Contribute in Healthy, Rich Lifestyle

We are helping our customers lead healthier and richer lives by offering products and services matched to their needs and preferences, ever mindful of their health. Centered on research groups in the Suntory Wellness Ltd. Institute for Health Care Science and the Suntory Global Innovation Center Ltd., the Suntory Group searches for materials that aid health and beauty, scientifically researches their functions, and develops health foods and food for specified health uses (FOSHU) in partnership with Product Development Department and Quality Assurance teams. In addition, divisions related to R&D of other business field engage in horizontal collaboration and cooperation to undertake diverse research and technological development projects, and will continue to create new value for the Group as a whole and offer solutions to customers.



Topics

Establishment of Suntory World Research Center (SWR) Japan

-New Research and Development Site that Bring Innovation-

In May 2015, Suntory World Research Center (SWR), a new research and development facility that brings together basic research and technological development functions, was established. The SWR utilizes its location of Keihanna Science City, which is home to numerous universities and research institutes and promotes exchange between neighboring research institutes and bilateral exchange between Group companies in and outside of Japan to not only deepen its specialty but deepen exchange with wider fields. Safety and reliability are at the base of all research and development, and researches are carried out to preserve bounties of nature to the next generation.



Number of Personnel at SWR
Approx.

400 people

Bau Contract Farms for High-quality and a Stable Supply

The Suntory Group contracts and imports a portion of its coffee beans that are a vital ingredient for coffee from the Bau Farms, which are several specialty coffee farms in Cacer, Minas Gerais in Brazil, as we aim for the highest quality and most stable supply of coffee beans. These farms have acquired international certifications from organizations that include the Rainforest Alliance*¹ and UTZ*², and they are very highly praised for their thorough quality management and workplace environment. The Suntory Group is fully advancing dealings with business partners able to bring safe and reliable products to customers now and into the future.



▲Bau Farm (Brazil)

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

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

For Customer Satisfaction

Promoting Fast, Accurate and Polite Response for Customer Satisfaction

We believe that Customer Center where Suntory and our customers have direct contact is an important point of contact. Information that customers need are accurately provided by employees that received training. Furthermore, precious feedback from the customers are recorded to the customer information management system and shared with related departments to utilize them for improving quality, response, etc. 93% of the customers that provided feedback have answered "Would like to continue using Suntory products" in the customer satisfaction questionnaire.



▲Customer Center

Making Use of Customer Feedback

The opinions and desires of customers (98,894 inquiries in 2015) is our greatest treasure. The perspective of customers is vital to developing even safer and easier to use products. We carefully listen to the feedback of our customers, analyze it from a broad range of angles, and aim to provide kinder, gentler products to all people while linking to related departments.

Japan

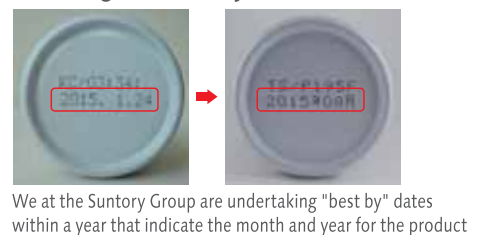
Promoting Easy to Understand and Accurate Product Labeling

The Suntory Group believes information should be available in an accurate and easy to understand way for the customers to ensure customers' peace of mind and trust in the products and services we provide. In doing so, information on quality assurance and related activities that we are engaged should be disseminated through web sites and other means. Our Quality Assurance Division, reviews and checks product labels, as well as the language and depictions used in promotional materials and advertising, to ensure that they are appropriate and comply with the law. In addition, we promote the display of accurate information that is easy to understand, collaborating with the related divisions in charge of development, production, public relations, and advertising of each Group company.

■ Example of display to prevent drinking by mistake



■ Example of "Month, year" labeling for "Best by" dates



■ Website: Suntory's Commitment to Safety and Reliability, and the "MONOHITO" page content (in Japanese only)



Reducing Harmful Drinking

Global Activities

Suntory Group participates in the international organization that promotes responsible drinking International Alliance for Responsible Drinking (IARD) with other major global alcoholic manufacturers to contribute in the global strategy aimed at reducing harmful uses of alcohol of the World Health Organization (WHO) and is promoting "Industry Commitment" from 2013. We are hosting periodic meetings as well as formulating global marketing rules and have striven to promote enlightenment programs since 2015 to participate in responsible marketing at a global level with Beam Suntory and to expand awareness of responsible drinking.



▲Commitment CEO Conference which CEOs of alcoholic beverage manufacturer gather

DRINK SMART® Program at Beam Suntory

Beam Suntory implements the DRINK SMART® program as part of its activities on responsible marketing. Beam Suntory is expanding the program that meets the unique needs of each market and culture in cooperation with relevant organizations based on six basic global principles from underage drinking and drunk driving to raising awareness of drinking in moderation and consideration for people that do not drink.



▲Meeting between Suntory Holdings and Beam Suntory



Activities in Japan

Suntory Group has established "ARP Department," specializing in alcohol-related problems in 1991 to actively tackle the issues. It acts as an in-house checker for sales and advertisement activities to promote responsible marketing and also holds activities to raise awareness of responsible drinking in and outside the company. It also participates and cooperates in academic meetings held by Health and Medicine of Alcohol Association and supports academic researches including "alcohol and health" workshop.

*ARP: Alcohol-Related Problems = Terminology defined by WHO (World Health Organization)

◀Raising awareness of drinking in moderation through Moderation ad (responsible drinking) campaign



◀Published Family Guide to Preventing Underage Drinking



◀Logo of STOP! Underage Drinking Campaign, with industry partners



In Harmony with Nature

Environment

To ensure limited water and resources for future generation

Suntory Group business is supported by precious global resources such as water and agricultural products.

It is our responsibility to engage in sustainable business practices through the promotion of environmental management in accordance with our mission

— In Harmony with People and Nature —

so that we may pass down a rich global environment to future generations.

We have established our Environmental Vision toward 2050 and set Targets toward 2020 in 2014 based on corporate tagline "Follow Your Nature."

Suntory Group continues promoting environmental management based on two axes: preserving and regenerating the natural environment and reducing environmental impact.

Direction of environmental management for 2050 envisioned by Suntory

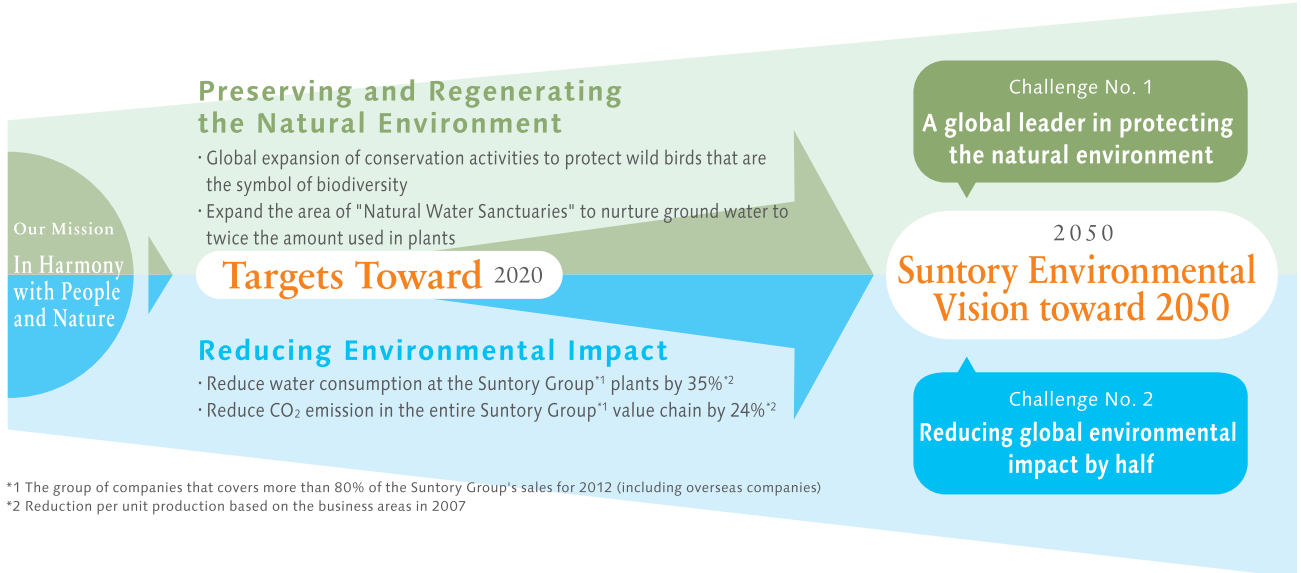
**Vision
toward 2050**

Promoting Environmental Management

Formulation of the Suntory Environmental Vision toward 2050 and setting Targets toward 2020

We have defined policies that embed the perspectives of global environmental activities to reflect clear direction that we are taking for environmental management of the Suntory Group.

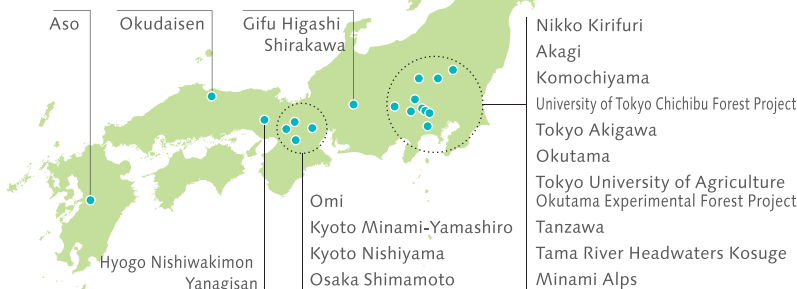
We are disseminating this way of thinking throughout the entire Group to put our full effort toward preserving and regenerating the natural environment as well as reducing environmental impact.



Preserving and Regenerating



▲ First Hand Experience with Forestry training for Group employees



Forest that Nurture Rich Groundwater

The Suntory Group uses large amount of good quality groundwater in the manufacturing of its products. We have been engaged in "Natural Water Sanctuary" activities to create forests that nurture groundwater in water resource conservation areas of our plants at Suntory to nurture more groundwater than used in our plants since 2003. We are conducting surveys and research on a scientific basis as we continue our work on forest development activities that consider 50 to 100 years in the future.

We are further developing these activities to expand the area where we nurture the groundwater to twice the amount used in our plants, by 2020.

First Hand Experience with Forestry participants

6,000 people

First Hand Experience with Forestry training for Group employees

Roughly 6,000 employees with those from our soft drink business and liquor business at the core are estimated to participate in this training over three years until the end of 2016.

Japan

Preserving Biodiversity into the Future Suntory Bird Conservation Activities



▲ Hanging nest boxes in the "Natural Water Sanctuary"

The Suntory Group has been engaged in the Suntory Bird Conservation Activities since 1973 to share the importance of wild bird conservation with society based on our belief that the conservation of wild birds leads to protecting mankind and the natural environment. The Suntory Fund for Bird Conservation was established in 1989. We have provided grants to bird conservation activities both in and outside of Japan since 1990.

We have been largely successful in offering grants of ¥376.46 million to 320 organizations as we celebrate our 27th year in 2016.

Communicating the Importance of Nature and Water *Suntory Mizuiku*-Education Program for Nature and Water



Suntory Mizuiku-Education Program for Nature and Water at Vietnam

Suntory Mizuiku is a program that teach children about the environment to consider what we can do to pass down water to the next generation. Total number of participants has exceeded 100,000 people since the start in 2004 and until end of July 2015.

In 2015, *Suntory Mizuiku* was held overseas for the first time in Vietnam. The program was launched by overseas Group companies, adjusting the program according to their situation surrounding water.



▲ "Outdoor School of Forest and Water" Hands-on Experience Program

Number of *Suntory Mizuiku* participants

Exceeded **100,000** participants

the Natural Environment

Coexisting with Nature Worldwide

North America

Beam Suntory

The four primary sites in the state of Kentucky, U.S., including the main bourbon whisky Jim Beam distillery in Clermont and the Maker's Mark distillery, run their operations so that they can coexist with the whole of nature. In addition to the cooling process, an essential part of whisky making, that utilizes the water in circulation from lakes within the distillery's property, we have striven to work with local communities in the conservation of the natural environment for over 200 years since the founding.



▲ Maker's Mark distillery



▲ Employees participating in natural environment conservation activity

Lucozade Ribena Suntory Europe

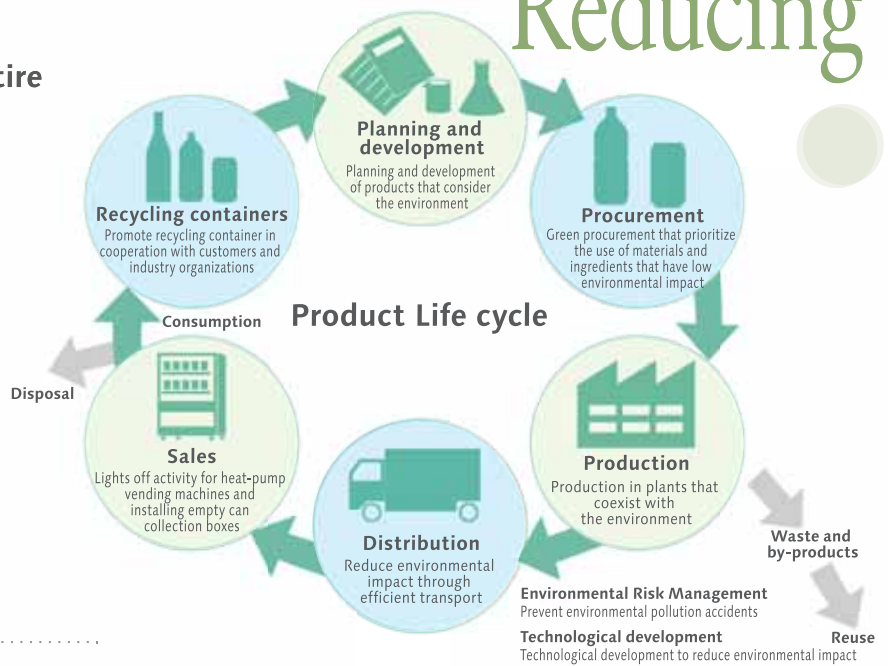
We are working on biodiversity conservation by gaining cooperation of the Wildlife Trusts nature preservation society since 2004 to protect the environment of sources of black currant, which is an ingredient in Ribena fruit juice. To reflect this, we have formulated a Biodiversity Action Plan (BAP^{*3}) to preserve and nurture the natural environment of the vast forests around the Coleford Distillery.

^{*3} Convention on Biological Diversity requires participating countries to formulate Biodiversity Action Plan (BAP). Some private corporations and organizations voluntarily formulate their own plan.

Reducing

Initiatives throughout the Entire Value Chain Reducing CO₂ Emissions and Water Consumption

The Suntory Group has advanced efforts that include prevention of global warming, effective use of resources, preventing pollution and chemical substance management in addition to reducing the weight of containers, actively using recycled materials and installing energy-saving vending machines throughout the entire value chain from the procurement of raw materials and manufacturing to logistics, sales and recycling.



▲ Solar panel at Minami Alps Water Plant of Suntory Products Ltd.

Energy-saving and Water Conservation Initiatives at Production Plants

We are committed to energy efficiency at Suntory Group plants through production activities harmonized with the environment. Making records of and managing the operational status centrally is useful for employing energy efficient activities in the production process. Furthermore, we are working to combat global warming from a variety of angles, including by switching to low CO₂ emitting fuels and by using renewable energy. In order to cherish the limited water resources through "3R" (Reduce, Reuse, Recycle) of water, we are strengthening our activities to reduce our water consumption.

■ CO₂ Emission Performance 2015 (at 24 production plants in Japan and 43 production plants overseas)

	Emission (1,000 tons)	Per unit production reduction rate*
Japan	349	5.2% reduction
Americas	182	11.0% reduction
Europe	120	1.7% reduction
Asia and Oceania	103	5.1% reduction

*Data covers 24 production plant in Japan and 43 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 per kiloliter produced; the rate of reduction is shown as a comparison to the previous year
*CO₂ emissions from electricity are calculated using a CO₂ emission coefficient based on the GHG protocol 2007.

■ Water Usage Performance 2015 (at 24 production plants in Japan and 43 production plants overseas)

	Amount (1,000 m ³)	Per unit production reduction rate*
Japan	21,877	6.2% reduction
Americas	8,015	11.9% reduction
Europe	5,433	0.5% reduction
Asia and Oceania	4,877	5.8% reduction

*Data covers 24 production plant in Japan and 43 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 usage per kiloliter produced; the rate of reduction is shown as a comparison to the previous year

Adoption of Extremely-Energy-Saving Vending Machines

We have positioned heat-pump vending machines*¹ that are able to greatly reduce the energy consumption compared to conventional vending machines as our principal energy-saving vending machines and have been furthering their installation. We estimate that they will make up over 80% of the total number of machines in operation at the Suntory Group by the end of 2017.

In addition, we have also begun the introduction of extremely-energy-saving vending machines since April 2014 to realize operation at the lowest energy consumption in Japan*², which is approximately half of conventional heat-pump vending machines.

*¹ Heat-pump vending machines are installed with a system that collects heat generated in the cooling chamber and use it for the heating chamber.
*² As of January 2015, among the 25 selection vending machines which are the main selection type in major Japanese vending machine makers Realized lowest annual energy consumption in Japan of 420 kWh/year (according to a survey by Suntory Foods Ltd.)

Japan



Extremely-Energy-Saving Vending Machines (Eco Active Machines)



Environmental Impact

Promoting Development and Introduction of Environmentally-Friendly Containers and Packaging

We are highly aware of the social impact that our containers and packaging have. We continue to pursue packaging that is environmentally-friendly from the perspective of the Life Cycle Assessment (LCA) based on voluntary guidelines set in 1997. We are striving to develop of containers both environmentally-friendly and easy to use for the plastic bottles which their use is increasing. Based on our unique Suntory "2R+B"^{*1} strategy that includes the introduction of the lightest^{*2} plastic bottles made in Japan, which are made from 30% plant-derived materials, for (Mineral Water) *Suntory Tennensui* (550ml). The design know-how and manufacturing technology of this type of plastic bottle is expanding to overseas Group companies.



^{*1} "2R+B" (Reduce, Recycle+Bio) is the concept of the thoroughly efficient use of resources by reducing the amount of resins used, and by using recycled materials, while replacing petroleum-derived raw materials with bio-based raw materials as much as possible in the development of plastic bottles.

^{*2} Plastic bottles for mineral water (500 ml to 600 ml) in Japan as of March 2016 according to survey by Suntory Beverage & Food Ltd.



▲ A section of the testing plant of Anellotech, Inc.

Topics

Developing Plastic Bottles Using 100% Bio-based PET Materials

Suntory Holdings Ltd. and Anellotech, Inc., a green innovation and technology company in the U.S., have been working together to develop a plastic bottle that is made from 100% bio-based PET materials since 2012. In January 2016, construction of a development and testing plant to generate plastic bottle materials to use in actual products began in Texas and is scheduled to be completed within the year to start operations. We are planning to initiate the introduction of plastic bottles made from 100% bio-based PET materials around the (Mineral Water) *Suntory Tennensui* brand of Suntory Beverage & Food Ltd. in the future.

North America

Topics

Japan

Climate Performance Leadership Index

Selected as a Leading Company of Environmental Management for the 2nd Consecutive Year!

Suntory Beverage & Food Ltd. (SBF) has been highly praised for activities to reduce greenhouse gas emissions and mitigate the risk of climate change as well as activities to disclose information related to climate change, and it was selected in the Climate "A List" of the Climate Performance Leadership Index (CPLI) for the second consecutive year for the CDP 2015 Japan 500 environmental activity survey conducted by the CDP*.



*CDP: International NPO that measures, discloses, manages and shares vital environmental data of companies and cities. It represents 822 institutional investors that manage assets totaling 95 trillion US dollars, and makes assessments and publicizes the result of questionnaires on climate change sent worldwide.



Vienna Philharmonic Orchestra 2015 performance conducted by Christoph Eschenbach (Suntory Hall)

In Harmony with Society

Cultural and Social Contribution

To build a bright future with initiatives rooted in the region

The origin of cultural and social contribution activities of the Suntory Group goes back to the spirit of Sharing the Profit with Society of Suntory founder Shinjiro Torii.

Our approach continually pursuing the ideal cultural and social contribution that considers the generation will leave a world for coming generations, and we work at a wide range of cultural and social contribution activities such as developing the next generation, supporting disaster affected areas, and contributing to local communities in fields centered upon arts and culture, sports, and social welfare.

Number of visitors to Suntory Hall and Suntory Museum of Art in 2015

1,010,000 people

Founding year of Social Welfare Organization Hojukai

1921

Contributing to the Enrichment of Lives and Culture

Suntory Foundation for Arts

With the opening of the Suntory Museum of Art in 1961, Suntory Group then established Torii Music Foundation in 1969 (renamed to the Suntory Music Foundation in 1978) and Suntory Hall in 1986. Focusing on art and music, Suntory Group has been contributing to the society in the field of arts for almost half a century. The Suntory Foundation for Arts was established in 2009 to innovate to a new form suitable for the 21st century. We are conducting activities with the aim to contribute to popularizing and expanding the music and arts of Japan.

Japan

Suntory Museum of Art

With the basic principle of "Art in Life," we are also involved in passing down a sense of art of the Japanese people to the next generation through larger and more diverse exhibitions with a total of approximately 3,000 items that include one National Treasure and 15 Important Cultural Properties. In 2015, approximately 400,000 people visited the Suntory Museum of Art.



Suntory Hall

Suntory Hall opened as Tokyo's first full-fledged and dedicated concert hall in 1986, celebrating its 30th anniversary in 2016.

In addition to performances that feature the top artists both in Japan and from overseas, over 600 performances were seen by approximately 620,000 concert-goers who visited the Suntory Hall in 2015.



Topics

Global Cultural Exchange through Music

Esplanade concert hall is a representative comprehensive cultural facility of Singapore and is a global partner of Suntory Hall. In celebrating the 50th anniversary of establishment of diplomatic relations between Japan and Singapore, "SUPER JAPAN – Japanese Festival of Arts" was held in May 2016. An ancient festival play "Himiko: Memories of the Sun Goddess," produced by Suntory Hall (2014) was performed at the Esplanade along with performance by representative Japanese artists.

Asia



▲Published in local media



▲Performance in Singapore

Suntory Foundation

Japan

Celebrating the 80th anniversary of Suntory's founding, Suntory Foundation was established in 1979 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 Arts Prize 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. In recent years, the Foundation is focusing on providing research aid for young researchers and expanding programs such as "Challenge Research Aid for Young Researchers," "Aid of Private Research Related to Society and Culture by Young Researchers (Torii Fellow)" and "Aid of Private Research Related to Society and Culture by Young Researchers Overseas (Suntory Fellow)."



▲ Suntory Prize for Community Cultural Activities award ceremony

Developing the Next Generation



▲ Rugby Clinic by SUNGOLIATH



▲ Volleyball Clinic by SUNBIRDS

Supporting the Development of the Next Generation through Sports

Players from the Suntory SUNGOLIATH rugby team and Suntory SUNBIRDS volleyball team are holding sports clinics to directly teach children in various places. In 2015, approximately 6,000 children participated in the program. In addition, the SUNGOLIATH are cooperating in opportunities for children to interact with rugby such as the operational support for the Suntory Cup Japan Kid's Tag Rugby Championship. The SUNBIRDS are also holding a Ball Play Seminar for Children to Experience the Joy of Exercise as an elementary school class and supporting the operations of the local volleyball competitions.

Supporting the Development of the Next Generation through Arts and Culture

The Suntory Museum of Art is proactively engaging in activities that offer education to the next generation. It holds parent-child workshops and hands-on type mini-lectures as "Education Programs" as places of interaction that connected visitors and the museum. "Friendly Talks" are held to explain exhibits every Saturday. In addition, "Children's Museum: Everything Open All Day!" and event allowing elementary and junior high school students and their parents to enter the museum where various programs are held for free on a day it is normally closed, was held in 2014 and 2015. We also held Concerts for Children at Suntory Hall and have continued the "Minato-Ku & Suntory Hall Enjoy! Music Project" from 2014. Additionally, we are introducing programs such as the Master Class by Principal of Vienna Philharmonic for young performers to be directly conducted by Vienna Philharmonic members and the "Rainbow 21" for young students who aim to be active performers or players in the music industry.

▼ Children's Museum: Everything Open All Day!



▲ Concerts for Children

Contributions to Local Communities



▲Exchange between Takadonoen and Tsubomi Nursery School

Social Welfare Organization Hojukai

Suntory Group founder Shinjiro Torii began the legacy of the Hojukai in 1921 with the establishment of the "Imamiya Dispensary" free clinic in the Airin district of Osaka City to assist people living in financial hardship based on his strong belief in social contribution. Since then, the Hojukai has operated as a

social welfare organization even today and operates 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, commissioned by Osaka City.



▲Takadonoen and Tsubomi Nursery School to be completed in 2017

Japan

Employee Volunteer Activities

We have formulated a Volunteer Leave Program for employees at the Suntory Group. In 2015, about 40 employees took advantage of this program and participated in various activities. We have our new employees participate in volunteer activities at the facility as part of their training while growing participation by our employees in duties such as cleaning the windows and pulling weeds at the elderly care facilities operated by the Hojukai. We are also actively promoting participation in volunteer activities through programs that allow anyone to easily participate within our place of business during their lunch breaks and working hours. In 2015, we held a total of nine events with about 230 employees taking part in the activities to deliver picture books and dolls to areas like Cambodia.



▲In-house hands-on volunteer experience "Let's Cut Fabric!"



Music Festival at Château Garden

Château Lagrange S.A.S holds music festival in early summer of July as a place of exchange with the local community. In its fourth festival in 2015, orchestra performance was conducted in its front garden enjoyed by about 400 visitors. Wine made at Château Lagrange and canapé were served after the performance.

Europe

Donation of Transport Vehicle to the Regional Resource Center

In October 2015, Suntory Beverage & Food Ltd. Kenya presented a tuk tuk (motorized three-wheeler) to the Kangami Resource Center (KRC) that provides safe water to children in the capital city of Nairobi for the purpose of easing the heavy labor on children who take water to neighboring settlements.

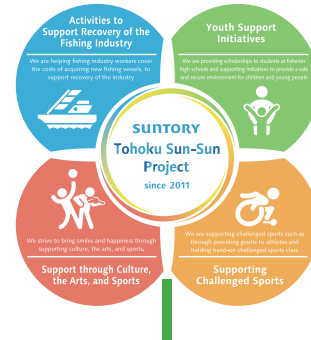
Africa



Disaster Recovery Support

Activities to Support the Recovery from the Great East Japan Earthquake

The Suntory Group launched the "Suntory Tohoku Sun-Sun Project" and is actively continuing efforts toward support activities with focus on "Support Recovery of the Fishing Industry," "Youth Support Initiatives," "Challenged Sports (sports by people with disabilities)" and "Support through Culture, the Arts, and Sports" as well as culture and sports with the hope to bring light warm like the sunshine and smiles and joy to disaster affected areas as part of the reconstruction activities after the Great East Japan Earthquake in 2011.



▲The "Yamada Fureai Center," which can provide children with a place to hangout as well as a library.



▲Performance held by Vienna Philharmonic & Suntory Music Aid Fund

Activities to Support the Recovery of Kumamoto Earthquake

The Suntory Group delivered approximately 210,000 bottles of (Mineral Water) *Suntory Tennensui* to disaster affected municipals after the Kumamoto earthquake in 2016 with focus on Kumamoto prefecture as relief aid while contributing 100 million yen in donations as we follow our belief in fulfilling our duty in efforts such as relief activities. We will continue to introduce further support now and into the future suitable to the situation in disaster affected areas.



▲Presenting donation to Ikuo Kabashima, Governor of Kumamoto prefecture



Topics

Suntory Challenged Sports Project

The Suntory Group started supporting challenged sports in 2014 as a part of our recovery support. We had over 2,000 participants each year in the wheelchair basketball hands-on classrooms that are held at elementary and junior high schools in Tohoku in addition to providing grants and donations of sports equipment. We have been working in initiatives such as support of sporting events and competitions and volunteering by employees as an official sponsor of the Japanese Para-Sports Association and Japan Wheelchair Basketball Federation since 2015.



In Harmony with Employees

Diversity Management

To nurture employees with bigger global dreams

The Suntory Group pursues diversity on the basis of its human resource management philosophy.

By promoting diversity in our employee base as well as embracing diverse values and ideas, we can bring forth even greater value.

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

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.

Number of Suntory Group employees

42,081 people

Ratio of female managers targeted for 2025

20%

Development of Human Resources



Suntory University Opened to Accelerate Talent Development Globally

The Suntory Group strives to build an environment that easily develops and cultivates skills based on our human resource policies.

We believe the source of our competitiveness is our employees and we endeavor to support our employees through a broad range of development initiatives.

Suntory University was founded as a place for all people at Suntory to learn and unit as "ONE SUNTORY," with the founding spirits as a shared value in April 2015. Suntory Founding Spirits Hall was established in January 2016 as a new location to communicate the founding spirits to employees.



Suntory Founding Spirits Hall

Mission & Vision of Suntory University

Mission:

- To enforce ONE SUNTORY with Founding Spirits as its core value.
- To be the "Center of Excellence" to develop strong leaders globally.
- To cultivate individual and organizational learning, knowledge and wisdom among all Suntorians.

Vision:

Encourage every Suntorian to contribute to Suntory Group's business growth, having Founding Spirits in heart as its core value.



Cultivating Ambassadors to Communicate the Founding Spirits

The Ambassador Program, a branded program carried out by Suntory University, aims to spread Suntory's Mission, Vision, Values and Founding Spirits, as well as to drive forward the acceleration of "ONE SUNTORY." It has been held both in Japan and locally in Group companies more than 20 times since 2012. And in 2015, 228 employees participated in this program, bringing the total number of participants to 542.

Total number of ambassadors
542
people

Topics

To Show the "Yatte Minahare - Go for it!" Spirit Worldwide

We have setup the "Walk the Walk - Yatte Minahare Award" to strive for high-level goals through the aspirations of each and every employee, raise our flag, and present awards to teams challenging the "Yatte Minahare - Go for it!" spirit in activities confronting challenges head-on that are founded in completely new creativity that diverge from conventional preconceptions. 2015 was the first fiscal year for this prize and there were entries from more than 6,000 employees from countries around the world. The Suntory Group has evolved its initiatives to continually pursue the creation of new value on a global basis by working hard and having big dreams.

Total of **6,000** people



Promoting Diversity

Empowerment of Female Employees

We are endeavoring to create an organization that enable diverse employees to carry out " *Yatte Minahare* -Go for it!" through promoting diversification of employees and acknowledging differences. We are supporting leadership development for female employees aiming to have 20% leadership positions held by female employees in 2025. With the support from female senior leaders, we are also striving to continuously promote female managers through holding "Career Cafe for Female Leaders," "Female Managers Forum" and "Female Managers Networking Board" to change conventional thinking and behavior and enhancing network among female employees.

Employing Persons with Disabilities

The Suntory Group is working to expand the possibilities for persons with disabilities by hiring new graduates and experienced without setting limits on the job scope. In addition, we are also actively promoting the employment of persons with disabilities in Group companies as a whole through holding joint employment guidance sessions, etc.

Extension of Retirement to Age 65

Meeting the employment needs of senior 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, mandatory retirement age was extended 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.

Global Human Resource Conference held with Representatives of Overseas Group Companies

The Global Human Resource Conference is annually held with human resource professionals from each overseas Group company to set specific topics such as the development of leadership and future key talent as well as share and discuss information of each country and company to cultivate synergy. We are also strengthening recruitment activities more globally through creating English version recruitment website, holding seminars for exchange students and engaging in overseas recruitment activities.



Promoting Work-Life Balance



▲ Guidance for Fathers was held for the purpose of raising the awareness even higher with male employees

Supporting Working with Child and Nursing Care

We are striving to realize a working style that keeps balance between personal life and work by implementing various systems and welfare programs beyond the requirement of the law to enable flexible working style. With the work style innovation, employees are able to work under flextime system without setting core time and also work at home in units of 10 minutes with flexible teleworking conditions.

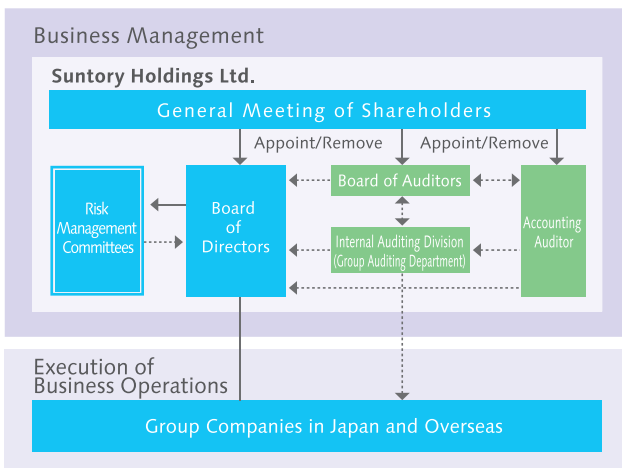
In addition, extensive system to support working with child and nursing care enable ease of work even with limitations in time or place. There also are comprehensive childcare support systems such as guidance before maternity leave, subsidizing fees for baby sitters and training when returning to work.

CSR Management

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.

Corporate governance structure



◆Boards Responsible for Group Management

Suntory Holdings' Board of Directors is made up of 11 directors, including 1 outside director (as of April 2016). 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 2016). It audits the execution status of business operations as well as the status of the internal control system. Board of Auditors Office was established to aid the audits performed by the Board of Auditors. In addition, Suntory Group has established a Group Auditing Department that acts as an internal auditing division that audits and inspects the execution status of business operations of all Group companies. The external auditors also audit accounts, verifying the appropriateness and legality of accounts and the internal accounting systems from an objective perspective.

Risk Management

In response to the expansion of global business of the Group, the Global Risk Management Committee (GRMC) was newly established in April 2015 in order to carry out risk management throughout the entire Group, including overseas Group companies.

The risk management committee and risk management team are installed under the GRMC. These objectives of the various committees and teams are to ascertain our risks, execute countermeasures, engage in activities related to the establishment of crisis management systems, and fulfill responsibilities to all stakeholders, including customers.

◆Building and Strengthening System Platforms for Risks

The risk surrounding companies is becoming more diverse and complex due to the globalization and informatization of the economy and greater awareness of corporate social responsibility. We identify the risk that may largely affect all of our stakeholders and build measures to counteract that risk by taking

inventory of risk that targets the Group-wide risk of the Suntory Group.

◆Strengthening Information Security Governance

The social demand to pursue more appropriate management is increasing toward the information security of companies. We have defined basic Suntory Group information security policies from the three perspectives of protecting information, utilizing information, and maintaining business continuity at the Suntory Group.

We formulated the Suntory Group's Social Media Policy that stipulates the usage approach to social media (such as Facebook, Twitter, Line, etc.) to respond to risks such as informational leaks through social media which their number of users are greatly increasing in recent years. We are reinforcing the awareness of each and every employee in the handling of information while advancing the information management of the entire Group based on these policies.

◆Anti-bribery Education

The Suntory Group restricts excessive business entertaining and gift-giving and defines the preservation of healthy and transparent relationships that adhere to laws and regulations in the Suntory Group Standards for Business Conduct regardless of whether a corporate entity, individual, or political, governmental or related organization or company.

Guideline on business entertaining and gift-giving was formulated in 2015 to comply with global standards and raise awareness through e-Learning for anti-bribery in response to regulations such as The Foreign Corrupt Practices Act (FCPA) becoming stricter on bribery worldwide. In 2016, global anti-bribery policy was formulated, a new guideline was formulated adding donations and political donations to the existing guideline on business entertaining and gift-giving and study sessions and e-learning for all Suntory Group employees was carried out to raise awareness.



▲Study session on the anti-bribery guideline

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. The details of this code were revised 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. Furthermore, 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 to penetrate this philosophy throughout the entire Group. In addition, in order to quickly identify and rectify behaviors that are in conflict with Suntory Group's Code of Business Ethics, we have set up internal and external Compliance Hotlines that can handle inquiries of this nature.



▲"SUNTORY SPIRIT" that covers Suntory Group philosophy and Code of Business Ethics

◆Compliance Promoting System

To promote compliance from a cross-Group perspective, Compliance Department was established under the Risk Management Headquarters to specifically promote compliance. The Compliance Department must remain aware of all measures formulated and implemented at each workplace and how those measures conform to policy. In addition to offering advice on specific issues, they have also set up the Compliance Hotline, and are charged by the Group Risk Management Committee to investigate and rectify any compliance violations found.

In addition, there are specific personnel responsible for promoting compliance issues at each Group company, both within Japan and abroad. They take an active role in promotion, formulating policy that is unique to the issues faced by their own company, and letting their colleagues know about that policy.



▲Compliance Hotline poster



▲Poster to raise awareness on compliance

Stakeholder Dialogue

Digest

On April 22, 2016, we invited experts to the Suntory World Research Center completed in May 2015 to introduce the activities of the Center and also to discuss the CSR activities of the Suntory Group that aims to be a global multi-faceted food and beverage company from Japan.



■ Date : April 22 (Fri.), 2016

■ Location : Suntory World Research Center

■ Experts

Peter D. Pedersen Co-founder of E-Square Inc.

One Akiyama President of IntegreX Inc.

Ken Kusunoki Professor, Hitotsubashi University Graduate School of International Corporate Strategy

■ Suntory

Takayuki Hirashima Executive Officer, Suntory Holdings Ltd. President & Chief Executive Officer of Suntory Global Innovation Center Ltd.

Tomomi Fukumoto Executive Officer, Chief Operating Officer, Corporate Communication Division, Suntory Holdings Ltd.

Hiroshi Naito Senior General Manager, Environmental Sustainability Strategy Department, Corporate Communications Division, Suntory Holdings Ltd.

Masaki Tomioka Senior General Manager, CSR Department, Corporate Communications Division, Suntory Holdings Ltd.



Expecting New Value and Standards that "Yatte Minahare - Go for it!" Spirit Brings

Peter D. Pedersen
(Co-founder of E-Square Inc.)

As a mission for a leading company, the age where simply putting out a good product is over. This generation demands the creation of new values and standards. Is the company able to find a story of growth unlike any other company? Can the story then be shared with everyone to lead it to innovation from within? That is the key. Suntory has the spirit to boldly step up to challenges called the "Yatte Minahare - Go for it!" spirit. The corporate climate is also uplifting. Please create "Suntory" that we feel like cheering for by ceaselessly confronting challenges. These challenges will directly connect to the motivation of the employees.



Strength of Resolving Social Issue Only a Global Company from Japan can Solve

Ken Kusunoki
(Professor, Hitotsubashi University Graduate School of International Corporate Strategy)

The entry point of CSR is all about clearly indicating what that company and that company alone can do. This is to define what needs to be at the very base of the foundation after considering the significance of its existence. This means determining what "not to do" in the context of the value of Suntory in the background of the "Yatte Minahare - Go for it!" spirit that aims for growth. That becomes the strength of the company and becomes the CVS (creating shared value) connected to solving social issues. I would say water is the deepest core theme of Suntory. I hope Suntory communicates their value to coexist with water and nature, which is traditional Japanese value, as a global company that began in Japan.



Communicating an Empathetic Message that Breaks Down Language Barriers is Vital

One Akiyama
(President of IntegreX Inc.)

The challenges common to all Japanese organizations entering the international market is breaking language barriers and knowing what and how to communicate their message. The activities of Suntory are definitely founded in an undercurrent of sustainable ideas. Will the message resonate with people in each country when ideas already shared implicitly in Japan are glanced upon by the rest of the world? In other words, how should a message that can be understood and empathized by the audience be communicated? I think this is a good chance to reconfirm the founding spirits once again. This is quite a difficult task, but I am expecting great things.



In Response to the Feedback

Tomomi Fukumoto

Executive Officer, Chief Operating Officer, Corporate Communication Division, Suntory Holdings Ltd.

Suntory is currently at the starting line in terms of true globalization. We have been able to reconfirm the importance of placing our philosophy at our core today. The remarks about the elements giving us value even on the world stage due to the "Suntory-ness" that we have cultivated throughout our history are really encouraging. Also, we were able to gain many hints about how to actually advance globalization, which we are currently confronting.

Through the dialogue with everyone, I strongly felt the need to deeply think about what our raison d'être and core once again. We will continue to promote our CSR management so that customers worldwide can understand and recognize the unique value of Suntory while sharing the ideals ingrained in our mission "In Harmony with People and Nature" as a global multi-faceted food and beverage company that began in Japan.

Suntory Group CSR Communication Tools

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

Suntory Group CSR Communication Book 2016



This report focuses on important activities to realize our mission "In Harmony with People and Nature" and unique Suntory initiatives. It is edited in an easy-to-understand form.

Scope of Subjects Covered

● Organizations

- 337 Group companies in Japan and overseas, including Suntory Holdings Ltd.
- Environmental data covers 24 production plants in Japan and 43 production plants in overseas owned by companies that consists more than half of the Suntory Group's sales (P.25)
- For personnel data, focused on employees who have employment contracts with Suntory Holdings Ltd. and Suntory Beverage & Food Ltd. (P.33 to 36)

● Time Frame

The data covers performance from January 1 to December 31, 2015. 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")

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June 2016 (next edition scheduled for June 2017)

Suntory Group CSR Site 2016



The Suntory Group CSR website publishes more detailed information than this report. Information such as CSR-related data, unique Group company initiatives and dialogue with society are available. Please browse through the information based on your needs. Reported in accordance with the Core level of the Global Reporting Initiative (GRI) G4 guidelines.



Suntory Group CSR website 2016



<http://suntory.jp/CSR/>

Contact for inquiries regarding the CSR Communication Book 2016
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